Allocating resources to address housing needs among various household types, including older adults and families with children

Low-income families with children, low-income older adults, and younger low-income adults all need affordable housing. Funding and other resources are inevitably limited, so how should cities, towns, and counties approach the process of balancing investments to meet the housing needs of different age groups? What other demographic groups should be included in this balancing process?

This brief identifies a series of considerations for cities, towns, and counties seeking to determine how to address the housing needs of older adults, families with children, and other types of households to provide the greatest benefit:
1. Consider specific local populations in balancing needs.

Regardless of national demographic trends, local jurisdictions may be characterized by specific populations with unique needs for housing. These local dynamics should be considered when determining how to prioritize resources. For example, in cities and counties with a large number of aging Baby Boomers, it may be appropriate to focus on creating accessible and affordable rental housing to serve older adults who wish to “age in community” close to where they currently live.

Large cities in particular may have severe problems of chronic homelessness, and may want to prioritize creating permanent supportive housing units that feature long-term subsidies combined with voluntary services. For most people who experience homelessness, it is a temporary, one-time episode that typically follows a crisis and can be resolved with limited assistance. But highly vulnerable individuals, including those with disabilities, may experience long or repeated episodes of homelessness, a pattern referred to as chronic homelessness. There is very strong evidence that supportive housing breaks patterns of chronic homelessness, so developing supportive housing is an appropriate focus for cities with this problem. (For additional guidance, see the related brief, Reducing homelessness and meeting the emergency needs of homeless individuals and families.)

2. Housing needs differ for different types of households.

The prevalence of housing needs among different segments of the population should also be considered carefully. Housing needs are often defined by a severe rent burden, meaning a household pays one-half or more of income for rent, or as a “worst-case need” for housing.\[1\]

The U.S. Department of Housing and Urban Development collects data on the worst-case needs for housing assistance. In 2015, the most recent year for which data are available, there were more families with children than elderly households with worst-
case housing needs. Families with children made up 35 percent of all households with worst-case needs housing needs (2.9 million households), while elderly households made up 23 percent of worst-case needs households (1.9 million households).

Households with worst-case needs are very low-income renters who do not receive government housing assistance and who pay more than one-half of their income for rent, live in severely inadequate conditions, or both.

A third demographic group also has high incidence of worst-case needs: “other nonfamily households” who are primarily renters who live alone and are younger than 62. The rest of this group are unrelated individuals sharing a housing unit. Some are temporarily low-income, such as college students sharing off-campus housing, and others are experiencing chronic poverty. About 22 percent of them include a nonelderly person with a disability. Among U.S. households with worst-case housing needs, there were almost as many nonfamily households as there were families with children – this group made up 33 percent of households with worst-case needs (2.8 million households). [2]

Because the characteristics of households with worst-case needs can vary substantially in different places, cities, towns and counties may want to take a closer look at whether they are predominately families with children, elderly households, or other nonfamily households. Depending on the specific local composition of this group (e.g., temporarily poor versus those in chronic poverty), cities, towns, and counties may want to consider different strategies for targeting housing assistance. For additional guidance on serving older adults and people with disabilities, see the related brief, Meeting the Housing and Services Needs of Older Adults and People with Disabilities.

Local jurisdictions should rely on data specific to their location in understanding local housing needs, and HUD’s data on worst-case needs for housing assistance is only one of several measures a community can use to determine which populations are in greatest need of investments in new housing production. HUD offers several detailed data sets to help cities, towns, and counties understand the housing needs of their specific populations. These include CHAS (Comprehensive Housing Affordability Strategy) data, which allow users to examine local trends in housing needs, and Picture of Subsidized Households, a set of data reports that summarize the characteristics of the occupants of almost 5 million HUD-subsidized housing units. Data are available at the neighborhood and even individual housing project level. [3]
3. Different populations are better served by market-rate developers and affordable rental housing programs than others.

An understanding of the local resources to serve households in need is also critical. Some household types may have high levels of need but also relatively more resources devoted to addressing those needs. In allocating additional scarce resources, local jurisdictions should aim to maximize the benefit of new housing investments. This may involve considering which populations are less well served by existing resources, as well as benefits to society generally from housing investments.

For example, one factor contributing to the relative incidence of housing needs among different types of households is the fact that older adults may be better served by affordable rental housing programs than other types of households. Evidence of an oversupply of housing geared to older adults in some cities, towns, and counties may be found in vacancies in some public housing older adult developments. There are various reasons why this might be true in your jurisdiction.

Housing Choice Voucher programs that establish a system of preferences for placing applicants on the waiting list, often rank older adults higher than they do families. In addition, market-rate developers are less likely than dedicated affordable housing programs to supply affordable rental housing large enough for families with children. Housing for seniors also often faces less community opposition than housing geared to broader populations. Since families with children are a protected class under the Fair Housing Act, however, it would raise fair housing concerns for local jurisdictions to use this fact as a reason to focus less on housing for families with children.

In some cases, adjustments to existing programs can help to address this imbalance. Where 3-bedroom units are limited and families with children have a hard time finding affordable housing that meets their needs, a community might consider requiring somewhat fewer inclusionary zoning units if a developer agrees to provide larger affordable units.

Another factor to consider is the long-term impact of affordable housing on children’s well-being and hence on society. Recent research shows that housing stability has immediate benefits for children’s educational achievement—including reductions in school mobility and absenteeism—that may lead to long-term benefits. (See the related overview of Housing and Educational Outcomes.) Living in stable affordable housing has been shown by longitudinal studies to improve children’s life chances.

Studies also confirm the importance of growing up in areas with good schools and
other key amenities. One recent study shows that children whose families move to lower-poverty neighborhoods before the age of 13 have higher college attendance rates and earnings as young adults than other children. They also live in better neighborhoods themselves as adults and are less likely to become single parents.\textsuperscript{[2]} All of this evidence suggests the value of preserving and expanding affordable housing for families with children, especially in resource-rich areas.

The eventual attainment of higher levels of education among low-income children may have long-term impacts for society as well. Research indicates that people with higher education levels contribute more in taxes, draw less from social support programs, and are less likely to incur incarceration costs.\textsuperscript{[8]} These financial implications for the community may be an argument for investing in stable housing for children.

\section*{4. Different populations have needs for specific types of housing}

Some of the differences between the housing needs of different types of households are readily apparent. Families with children typically need larger units, for example, than either elderly households or single renters. But there are other differences as well. Elderly households often need housing with accessibility features to prevent falls to help them stay independent longer; others are looking for housing within a community of other older adults that acts as a support network. These types of housing may be more likely found in developments that are set aside for the elderly than in units that can be obtained using a housing voucher, for example. In comparison, families with children may benefit from housing vouchers that allow them to select privately owned units in a wide range of neighborhoods, including resource-rich areas.

Likewise, the best locations for housing may differ by household type. Elderly households may benefit most from housing in areas close to medical providers, for example, while families with children benefit from housing in areas with quality schools.

Even within household types, different types of housing may be needed. The needs of the frail elderly, for example, may be quite different than the needs of younger elderly. To the extent that cities and counties decide to focus on older adults, one approach to consider is turning some current elderly housing developments into housing for frail elders that includes supportive services.

In some local jurisdictions, elderly or other single- or two-person households occupy many of the affordable housing units designed to house larger households, reducing the number of units available for families with children. These cities, towns, and
counties may benefit from experimenting with “elderly to family” conversion programs, encouraging elderly households occupying units in dedicated affordable housing developments large enough for families to move into elderly housing, freeing up space in the units with more bedrooms.

5. Housing needs and appropriate policies differ for younger and older low-income homeowners.

Although severe housing burdens and worst-case needs are more common among renters than homeowners, many homeowners also have low incomes and severe housing problems. While they are somewhat less likely to have severe housing cost burdens than low-income renters, there are nevertheless millions of low-income homeowners with severe cost burdens.

Among older homeowners with severe housing cost burdens, many are persistently poor, and may be unable to afford proper home maintenance for a prolonged period of time. More generally, as homeowners—and the housing they occupy—age, they may have home maintenance issues that they are unable to deal with because they have limited financial resources or cannot manage home repair without help.

Some cities, towns, and counties have large populations of such older homeowners who are having trouble with maintenance and repair. This can have implications for neighborhood stability, as deteriorating homes can depress the value of nearby property. It also can have negative implications for the quality of life and health of the older adults, including fall hazards, dampness, and inadequate heating and cooling. Local jurisdictions that choose to prioritize this problem may consider creating home repair programs for elderly homeowners who want to age in place. In addition, programs to facilitate the delivery of services to older adults could increase the number of elderly homeowners who are able to age in place.

The problems of younger homeowners, including families with children, are more likely than those of older homeowners or renters to reflect economic downturns such as the Great Recession—that is, they are more likely to reflect job loss rather than persistent poverty. During the foreclosure crisis that began in the late 2000s, an increasing number of local jurisdictions began focusing on helping homeowners avoid foreclosure. Cities, towns, and counties may want to consider continuing or creating foreclosure prevention programs to address these homeowners’ needs.

1. The discussion of worst-case housing needs is based on data reported in Watson, Nicole Elsasser, Barry L. Steffen, Marge Martin, and David A. Vandenbroucke,

2. Although, as shown in the text box, worst-case needs can result from severely inadequate living conditions, high rents in proportion to renters’ incomes are by far the most frequent cause of worst-case needs.

3. Note that units subsidized by the U.S. Department of Agriculture’s Rural Housing Service are not included, unless they also receive subsidies referenced above. Other programs such as Indian Housing, HOME and Community Development Block Grants (CDBG) are also excluded.

4. One study found that 41 percent of PHAs have a preference for older adults compared with 25 percent of PHAs with a preference for working families. Preferences for the disabled are the most common, with 47 percent of PHAs.

5. Since families with children are a protected class under the Fair Housing Act, however, it would raise fair housing concerns for cities to use this fact as a reason to focus less on housing for families with children.


9. In the run-up to the Great Recession, many homeowners were also victimized by predatory lending and other unfair lending practices. Federal policy has prohibited many of these practices, but it will be important to remain vigilant in the event such practices return.

See also:
What are the specific housing needs of different household types (e.g., households with seniors, households with children, and single-person households)?
Policy objective: Meeting the housing and services needs of older adults and people with disabilities
Assistance for home safety modifications