

# To reduce poverty, expand affordable housing

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Poverty is deeply connected to the absence of stable, affordable housing. Sociologist Matthew Desmond exposes this connection in his new book, *Evicted: Poverty and Profit in the American City*, an account of how poor families in Milwaukee struggle to pay the monthly rent and fend off eviction. Desmond's insight is that these struggles are not just a consequence of poverty but a cause of it too, a conclusion with relevance for policymakers in Dallas.

The Dallas economy is complex. The city and its surrounding area are blessed with a booming jobs market and boast an increasingly diversified set of industries. Single-family home prices, while rising, are still relatively affordable. Dallas is attracting young people from all corners of the country. They rightly see the city as a place of opportunity.

But below this bright surface are some troubling realities. A recent report concluded that 38 percent of the children in Dallas live in poverty, the highest rate among the nation's ten largest cities. More than 27,000 residents of the city have full-time jobs but still live under the poverty line.

The demand for rental housing in Dallas is rising, with the renter population increasing faster than the supply of affordable rental homes. Rents are also rising faster than incomes, consuming larger chunks of the monthly paycheck. Importantly, the majority of households with children in Dallas are renters.

A Harvard study found that, in 2014, nearly one in four renters in the Dallas-Fort Worth-Arlington metro region were "severely" burdened by housing costs, devoting in excess of 50 percent of their incomes just to rent. Not surprisingly, families with the lowest incomes represented the highest proportion of those with rent burdens.

What's happening in Dallas is replicated across the country, and in some large cities, according to a study by New York University and Capital One, the situation is significantly worse. Nationally, 21.4 million renter households are considered cost burdened under federal standards, according to Harvard University's Joint Center of Housing Studies. Nearly 11.3 million have severe burdens, allocating more than one out of every two dollars in income just to rent.

A lack of affordable and available rental homes for the lowest-income families is a major cause of the high rent burdens we see today. The National Low Income Housing Coalition estimates the national supply shortfall at 7.2 million rental units.

The demand for affordable rental housing, already very strong, will intensify in the years ahead because of powerful demographic trends. Millions of young Millennials, many of whom are minorities, will form households for the first time. Lacking the resources for a mortgage down payment, most will initially seek rental housing. As they age, large numbers of homeowners among the 75 million Baby Boomers will also seek to downsize into more manageable rental settings.

These factors will combine to create a perfect storm of rental demand. Unless we expand the supply of affordable homes, we should expect rents to rise and rent burdens to increase.

Fortunately, solutions do exist. A dramatic expansion of federal support for the Low Income Housing Tax Credit, our nation's most effective affordable rental production program, is long overdue.

In cities across America, land-use restrictions often act as barriers to the production of affordable housing. Removing these barriers is an opportunity to bring more families into the economic mainstream.

New ideas like a federal renters' tax credit can help relieve the housing-cost burdens of millions of low-income families, freeing up scarce funds for other important purposes like education and job training.

On November 18, housing experts from across the country will convene at a public forum at the George W. Bush Institute to discuss the best path forward. As we transition to a new Congress and administration, the message is clear: expanding access to affordable housing must become a critical national priority.

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