

Just Suppose: Housing Subsidies for Low Income Renters

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November 15, 2006

Just Suppose...
...that history didn't matter

But there is a history:

1776 – 1937	Nothing
1937 – 1962	Only public housing
1962 - 1974	Other supply programs
1974 – 1987	Mostly “new construction and rehab”
1987 -	Mostly vouchers and LIHTC

Table 1. Net Budget Authority and Government Outlays for
 Low Income Rental Assistance: Major HUD Programs¹
 Fiscal Years 1976-2007
 (Millions of 2006 Dollars)

Fiscal Year	Net Budget Authority	Federal Outlays
1976	\$62,330	\$7,902
1977	85,096	8,664
1978	89,988	10,084
1979	63,384	10,974
1980	64,789	12,877
1981	56,411	16,045
1982	28,455	16,891
1983	19,480	18,527
1984	23,363	19,867
1985	45,652	43,269
1986	19,545	20,746
1987	16,181	20,761
1988	15,369	22,053
1989	14,203	22,568
1990	15,873	23,607
1991	27,278	24,115
1992	23,721	25,153
1993	25,027	27,618
1994	23,967	29,345
1995	15,376	32,553
1996	16,839	30,519
1997	10,472	30,808
1998	15,428	29,795
1999	18,145	27,565
2000	14,720	27,980
2001	21,868	28,513
2002	23,099	30,746
2003	24,428	32,237
2004	24,826	32,486
2005	24,547	32,297
2006	24,933	31,945
2007	24,731	31,525

Source: US Office of Management and Budget, *Public Budget Database*, Budget of the United States Government, Fiscal Year 2007.

Note: 1 Includes public housing, project-based assistance, and voucher programs.

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Table 2. New Commitments for Subsidized Rental Housing and Total Number of Rental Households Served, 1977-1997

Fiscal Year	New Commitments (Number of Units)		Households Served (thousands of households)	
	New Construction	Existing Housing	New Construction	Existing Housing
1977	247,667	127,581	268	1,825
1978	214,503	126,472	423	1,977
1979	231,156	102,669	602	2,052
1980	155,001	58,402	707	2,189
1981	94,914	83,520	820	2,379
1982	48,157	37,818	844	2,559
1983	23,861	54,071	955	2,702
1984	36,719	78,648	1,086	2,836
1985	42,667	85,741	1,180	2,931
1986	37,375	85,476	1,253	2,986
1987	37,247	72,788	1,366	3,047
1988	36,456	65,295	1,446	3,085
1989	30,049	68,858	1,534	3,117
1990	23,491	61,309	1,616	3,141
1991	28,478	55,900	1,678	3,180
1992	38,324	62,595	1,721	3,204
1993	34,065	50,593	1,900	3,196
1994	29,194	66,907	1,985	3,213
1995	19,440	25,822	2,081	3,242
1996	16,259	36,696	2,021	3,293
1997	14,027	36,134	2,051	3,305

Source: US House of Representatives, Committee on Ways and Means, *Green Book, 1998*, table 15-26, table 15-25; US Department of Housing and Urban Development.

Table 3. Federal Outlays for HUD Supply
and Demand Side Programs
Fiscal Years 2000-2007
(Millions of 2006 Dollars)

Fiscal Year	Supply side	Demand side
2000	\$9,285	\$18,696
2001	9,370	19,143
2002	9,967	20,780
2003	9,278	22,959
2004	8,625	23,860
2005	8,259	24,037
2006	7,908	24,037
2007	7,428	24,097

Source: US Office of Management and Budget, Public Budget Database, *Budget of the United States Government*, Fiscal Year 2007. Note: Supply side programs include public housing and project-based assistance; demand side programs include certificates and vouchers.

Table 4. Federal Tax Expenditures for Rental Housing, Fiscal Years 1987-2011(est)
(Millions of 2006 Dollars)

Fiscal Year	Homeowner Capital Gains Exclusion	Multi-family Tax Exempt Bonds	Low Income Housing Tax Credit
1987	\$7,765	\$2,271	\$49
1988	10,570	1,966	255
1989	23,371	1,873	437
1990	23,578	1,575	171
1991	22,592	1,460	1,153
1992	24,136	1,487	1,542
1993	24,019	1,343	2,074
1994	28,068	1,276	2,533
1995	24,841	1,188	2,903
1996	24,657	948	3,265
1997	30,474	998	2,834
1998	21,316	183	3,806
1999	21,630	186	3,389
2000	21,718	187	3,760
2001	21,853	183	3,686
2002	22,102	202	3,697
2003	22,194	307	6,803
2004	31,717	384	3,905
2005	37,157	423	4,006
2006 est	39,750	430	4,060
2007 est	42,958	440	4,159
2008 est	47,449	489	4,364
2009 est	58,614	519	4,609
2010 est	77,167	528	4,844
2011 est	85,230	538	5,108

Source: US Office of Management and Budget, *Budget of the United States Government*, Fiscal Years 1982 through 2007.

Big Changes 1975-2005

In Housing Conditions

“severely inadequate housing” eliminated

11 % in 1975

3 % in 2001

5 % among the poorest households

In Understanding the Effects of Housing

no “public health” effects

small neighborhood effects

econometric method

statistical results

experimental observation

“worst case housing need” simply describes poverty

Rental Housing Assistance as a part of the US Welfare System

Compare with income transfers, food stamps, EITC

Lotteries vs entitlements

70% of poor not served

40% served are not poor

targeting...

Cost of entitlement program?

Use the IRS

EITC

MCC

Role of HUD