

Spring 2020

Struggles with Affordable Housing and Nutritious Food: Latino Community Issue

By **Rodrigo Avila, MSW**, *CHCI-PepsiCo Nutritional Health Graduate Fellow*

Executive Summary

Housing costs have been on the rise for many years and have put tremendous pressure on vulnerable U.S. households to make difficult decisions between housing and other needed expenses, such as nutrition. Housing and nutrition have major implications for healthcare outcomes and with housing costs exceeding incomes, millions of families struggle to make ends meet. Hispanic/Latino communities are especially vulnerable to the unexpected consequences of high housing costs in the current political climate. The current administration's pursuit of "self-sufficiency" in social support programs, as well as immigration reforms, create added challenges. These policies undercut federal efforts in addressing affordable housing issues and food security. The chilling effects, or otherwise the consequence of anti-immigrant policies that discourage eligible Hispanic/Latino families from enrolling in social support programs or encourage dis-enrollment out of fear of immigration-related consequences, add another barrier for Hispanic/Latino families.

To address the lack of affordable housing and the implications of food insecurity, policy options should consider retooling HUD and SNAP, as well as addressing the chilling effects of new "public charge" rules. The USDA should not implement 2018 proposed regulatory changes to SNAP, as they could potentially affect 2.1 million households and 3.7 million individuals, as well as impacting seniors and people with disabilities. The USDA should consider allowing the deduction of housing costs when calculating household resources. This change would lead to increased allotments for households. These SNAP changes and elimination of the public charge rule has the potential to alleviate the burden that the Hispanic/Latino community has been facing in recent years under the Trump administration.

Policymakers should also address cutbacks to HUD programs and instead expand programs such as the Housing Choice Voucher Program and the Low-Income Housing Tax Credit programs (LIHTC). These programs can improve affordable housing and food security, as well as other

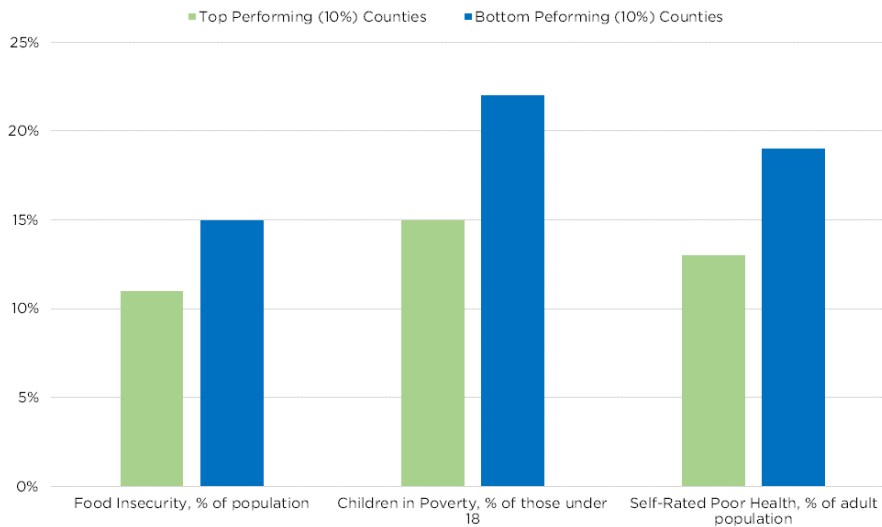
outcomes for immigrant families and households with children. The National Academies of Sciences suggests that increasing Housing Choice Vouchers (HCV) can dramatically reduce food insecurity among households with children, including immigrant households. Other studies show that LIHTC units adopted in higher opportunity areas increases the share of LIHTC units placed in neighborhoods with poverty rates at or below 10%. These pivots away from a reduction in social support and steps toward expansion can help mitigate the high cost of housing and in turn improve food insecurity rates in the general population, as well as for the disproportionately impacted Hispanic/Latino community.

Background

High costs of housing cause households to struggle to make ends meet. The number of American renters grows, and households are spending more on housing.¹ After paying for rent and utilities, vulnerable households make difficult decisions with their nutrition and health. Housing costs are often an overlooked contributor

The opinions expressed in this paper are solely those of the author and do not represent or reflect those of the Congressional Hispanic Caucus Institute (CHCI).

Figure 1: Health Factors and Outcomes in Top and Bottom Performing Counties for Severe Housing Cost Burden



Source: “2019 County Health Rankings Key Findings Report.” County Health Rankings & Roadmaps. University of Wisconsin Population Health Institute., March 2019, 6. <https://www.countyhealthrankings.org/reports/2019-county-health-rankings-key-findings-report>

to food insecurity. As rent increases continue to outpace income gains, 38% of Americans are paying 30% or more of their incomes for housing.² High housing costs make it increasingly difficult for renters to meet non-shelter-related expenses such as nutrition.³ While rates of food insecurity have been slowly declining among the general population in recent years, rates among minority communities have been rising.⁴ The lack of affordable housing is causing millions to struggle with rent and causing minority communities, including the Hispanic/Latino communities, to be food insecure.

Housing Cost Burden

“Cost burdened” households are those that pay more than 30% of their incomes for housing, while “moderately burdened” pay 30%-50% of their incomes, and “severely burdened” pay more than 50% of their income towards housing.⁵

For low-income households, spending an outsized share of

income on housing cuts into spending on other basic needs.

- Moderately cost-burdened households spend 13% less on food.
- Severely burdened households spend 37% less on food.
- Families with children with severe cost burdens spend 35% less on food.
- Severely cost-burdened households headed by adults age 65 and older spend 44% less on food.

A 2019 study by County Health Rankings & Roadmaps showed a correlation between affordable housing and food security; across all counties in the U.S., for every 10% increase in housing cost, 86,000 more people are food insecure.⁷ Households with high-cost burdens tend to have poorer health and nutrition outcomes.

According to the 2018 United States Department of Agriculture (USDA) data, the national average of food insecurity was

11.1% —14.3 million households. Many groups have higher rates of food insecurity, including households with incomes below the federal poverty line (35.3%), households with children under the age of 18 (13.9 %), African American households (21.2%), and Hispanic/Latino households (16.2%). By contrast, the rate of food insecurity for white households (8.1%) was below the national average (11.1%).⁸

Cost Burden Impact

The National Low-Income Housing Coalition finds there is a shortage of 7.2 million affordable and available rental homes for extremely low-income renter households.⁹ Thus, not only do millions of Americans struggle with rent but finding affordable housing is also difficult. From extremely low-income brackets to above median-income brackets, over 30.9 million renters struggle with unaffordable, cost-burdened rents.¹⁰ Compounding this, a Harvard study showed that people of color are disproportionately represented among renter households, and cost-burden rates for minority households were significantly higher than white households whether they own or rent their housing.¹¹ The cost burden share is highest among black renters at 54.9%, followed by Hispanic/Latinos at 53.5%, and rates for Asians and other minorities are lower at 45.7%.¹² Addedly, 71.5% of Hispanic/Latino extremely low-income renters are severely cost-burdened.¹³

Hispanic/Latino Populations

In 2018, the U.S. Hispanic/Latino population reached a record of 59.9 million and is projected to grow.¹⁴ Hispanic/Latino’s also wield \$1.5 trillion in economic spending power.¹⁵ Despite this, 16.2% of Hispanic/Latino

The recently proposed cutbacks to the SNAP program and cuts in HUD programs will likely worsen federal efforts to address food insecurity and affordable housing.

households are still food insecure, above the national average (11.1%). Considering the growing Hispanic/Latino population and the role they play in the nation; it is very important to not diminish the importance this community has in America. The current administration's approach with welfare has made many in the Hispanic/Latino community fearful and is sowing seeds of government distrust.

Recently introduced federal policies that encourage "self-sufficiency"; such changes to work requirements in SNAP, public charge, and changes in HUD housing policies; may increase food insecurity rates to that of previous years, as high as 22.4% in 2014.¹⁶ Recent moves by the administration to restrict social support programs compound housing issues for this population and create trickle-down consequences to health and wellness. Lastly, this administration newly finalized "public charge" rule, which determines whether an immigrant or their sponsor is likely to become primarily dependent on the government for subsistence, will have "chilling effects". These chilling effects, or otherwise defined as effects that are likely to stretch beyond the immigrants themselves, and affect U.S. citizen children whose parents may disenroll them from services for fear of losing legal status.¹⁷

The chilling effects may exceed the Department of Homeland Security (DHS) estimates because members of immigrant families believe they could be jeopardized even if they already have been

naturalized or received green cards. Recent research studies estimate that between 1 and 3.2 million fewer members of immigrant families would receive Medicaid, the great majority of whom are Latino or Asian.¹⁸ Moreover, an economist at Northwestern University estimates that 1.8 million fewer individuals would receive SNAP, reducing food assistance by \$2 billion per year, lowering economic activity in the U.S. by \$3.2 billion annually.¹⁹ Housing experts at the University of Minnesota noted that the loss of housing benefits would lower health outcomes, education, and lifetime earnings, as well as exacerbating harm by the public charge rule with the proposed Housing Urban Development (HUD) rule in which "mixed-status" families are barred from living in public housing.²⁰

Federal Intervention

Federal support programs help impoverished communities rise out of poverty and pursue education, better housing, and employment. Recent announcements regarding public charge, cutbacks in SNAP (Supplemental Nutrition Assistance Program), and cutbacks/elimination of HUD programs are likely to lead to negative outcomes in housing and nutrition.²¹ Many of HUD's programs provide flexible aid to low-income rural and urban communities, from needed repairs in public housing to housing choice vouchers.²² This federal support bolsters individuals' ability to seek employment opportunities, find affordable housing, and

provide meaningful economic output. The Low-Income Housing Tax Credit (LIHC) results in a decrease of about \$13,000 per unit costs when building new affordable housing and is the largest production subsidy for affordable housing in the U.S.²³ This HUD program allows cities to build more additional affordable housing and serve their communities with opportunities that alleviate poverty. The recently proposed cutbacks to the SNAP program and cuts in HUD programs will likely worsen federal efforts to address food insecurity and affordable housing, which will deeply impact communities of color.

According to the Urban Institute, the proposed rules changes to the SNAP program would affect roughly 2.2 million households, 3.7 million individual beneficiaries, and annual benefits falling by \$4.2 billion. Nearly a quarter of households without children, elderly, or members with disabilities would lose eligibility, 12% of households with the elderly would lose eligibility, and 7% of households with children would lose eligibility.²⁴ The effect of the proposed SNAP changes will cause 8% of African American and 9.5% of Hispanic/Latino households to lose eligibility compared to 13% of white households; 14% of Black and Hispanic participants would receive lower benefits compared to 17% of white households and 22% of Asian households, but this does not account for any chilling effects of public charge.²⁵ In order to curb the impact of high housing

The National Academies of Science suggests that increasing Housing Choice Vouchers can dramatically reduce food insecurity among households with children, including immigrant children.

costs on food security, policies should shift away from reduction or public charge and change policies within federal programs that can have the greatest effect.²⁶

Policy Options

The federal government can help communities integrate food security on the same block as affordable housing through HUD and SNAP. The proposed changes to SNAP include (1) tightening the criteria by which states request time limit waivers for able-bodied adults without dependents; (2) restricting states ability to make families “categorically eligible” for SNAP based on receipt of another government benefit; and (3) creating a uniform approach to setting standard utility allowances (SUAs) and converting the telephone allowance to a telecommunication allowance that includes basic internet service. The three proposed regulatory changes would have differing effects on various groups of SNAP participants and varying effects across states, and as stated previously, participating households would fall by 2.1 million and 3.7 million fewer people receiving SNAP.²⁶

The USDA should not make these regulatory changes, as it potentially could negatively impact communities and instead make other regulatory changes. SNAP currently caps the number of housing costs that can be deducted from gross income in benefit calculations, and eliminating this cap can help offset housing cost burdens.²⁷ A 2017 study

prepared for the U.S. Department of Agriculture shows that making this adjustment could lead to a larger SNAP allotment for 14% of non-elderly / non-disabled households.²⁸ Additionally, the study suggests that policymakers should consider whether SNAP deductions could be expanded to capture certain common household expenses not currently captured such as housing repairs and transportation.²⁹

The National Academies of Sciences suggests that increasing Housing Choice Vouchers (HCV) can dramatically reduce food insecurity among households with children, including immigrant households.³⁰ The HCV program is a substantial component of any strategy to address the severe housing shortage and the difficulties faced by extremely low-income renters. Seventy-three percent of HCV recipients are extremely low-income and vouchers typically cost less than new housing production, making them an efficient form of housing assistance in certain markets.³¹ HUD’s Low-Income Housing Tax Credit (LIHTC), while expensive, could also be expanded and reformed to better target the housing needs of low-income households. Congress could expand the LIHTC program and increase the number of LIHTC developments placed in low poverty, diverse neighborhoods and give poor households and people of color greater access to developments in low poverty, diverse areas. Research shows

that LIHTC units adopted in higher opportunity areas increases the share of LIHTC units placed in neighborhoods with poverty rates at or below 10%.³² Changes and expansions are necessary to address the housing needs of low-income Americans, especially minority communities. If both rents and incomes rise at the rate of inflation, the number of American households that are severely cost-burdened because of rent is expected to reach 13.1 million in 2025.³³

These alterations to Federal programs in HUD and SNAP can greatly improve affordable housing and address food insecurity in the Hispanic/Latino population and other minority impoverished communities. Addedly, changes in SNAP policies can address the “chilling effects” of proposed public charge reforms to the Hispanic/Latino community to curtail the impact and reinvest in outreach and education efforts.³⁴ Policymakers should weigh the cost-saving reductions in HUD and SNAP programs versus the economic opportunities the Hispanic/Latino community could provide the U.S. economy.

Endnotes

¹ “American Families Face a Growing Rent Burden.” The Pew Charitable Trusts, April 2018, 5-7. https://www.pewtrusts.org/-/media/assets/2018/04/rent-burden_report_v2.pdf.

² Ibid; see table 1.

³ Fischer, Will, and Barbara Sard. “Chart Book: Federal Housing Spending Is Poorly Matched to Need Tilt Toward Well-Off Homeowners Leaves

Struggling Low-Income Renters Without Help.” Center on Budget and Policy Priorities, March 8, 2017, 6-11. <https://www.cbpp.org/sites/default/files/atoms/files/12-18-13hous.pdf>.

⁴ “Definitions of Food Security.” USDA ERS - Definitions of Food Security. United States Department of Agriculture Economic Research Service, September 4, 2019. <https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-us/definitions-of-food-security.aspx>.

Coleman-Jensen, Alisha, Matthew P. Rabbitt, Christian A. Gregory, and Anita Singh. 2019. Household Food Security in the United States in 2018, ERR-270, U.S. Department of Agriculture, Economic Research Service, 14-16. <https://www.ers.usda.gov/webdocs/publications/94849/err-270.pdf?v=963.1>

⁵ “The State Of The Nation’s Housing 2019.” Joint Center for Housing Studies of Harvard University, July 1, 2019. http://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_State_of_the_Nations_Housing_2019.pdf.

⁶ Ibid, 32-33.

⁷ “2019 County Health Rankings Key Findings Report.” County Health Rankings & Roadmaps. University of Wisconsin Population Health Institute., March 2019, 6. <https://www.countyhealthrankings.org/reports/2019-county-health-rankings-key-findings-report>.

⁸ Coleman-Jensen, Alisha, Matthew P. Rabbitt, Christian A. Gregory, and Anita Singh. “Household Food Security in the United States in 2018.” United States Department of Agriculture Economic Research Service, September 2019, 14. <https://www.ers.usda.gov/webdocs/publications/94849/err-270.pdf?v=963.1>.

⁹ Ibid, 9.

¹⁰ Aurand, Andrew, Dan Emmanuel, Ellen Errico, Dina Pinsky, and Diane Yentel. “The Gap: Shortage of Affordable Homes.” National Low Income Housing Coalition, March 2019, 2-6. https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2019.pdf. (total calculated from figure 5 on page 5, which was compiled by the National Low Income Housing Coalition based on tabulations of 2017 American Community Survey data).

¹¹ Joint Center for Housing Studies of Harvard University, 19-20, 32.

¹² Ibid, 32.

¹³ Aurand, Andrew, et al., 10.

¹⁴ Flores, Antonio, et al. “U.S. Hispanic Population Reached New High in 2018,

but Growth Has Slowed.” Pew Research Center, Pew Research Center, 8 July 2019. www.pewresearch.org/fact-tank/2019/07/08/u-s-hispanic-population-reached-new-high-in-2018-but-growth-has-slowed/.

¹⁵ Weeks, Matt. “Minority Markets See Economic Growth.” UGA Today, Selig Center for Economic Growth at the University of Georgia, 4 Apr. 2019. <https://news.uga.edu/multicultural-economy//>.

¹⁶ Rabbitt, Matthew P., et al. “Food Insecurity and Hispanic Diversity.” USDA ERS - Food Insecurity and Hispanic Diversity, United States Department of Agriculture: Economic Research Service, 5 July 2016, <https://www.ers.usda.gov/amber-waves/2016/july/food-insecurity-and-hispanic-diversity/>.

¹⁷ “Public Charge.” U.S. Citizenship and Immigration Services, February 22, 2020. <https://www.uscis.gov/greencard/public-charge>; Batalova, Jeanne, Michael Fix, and Mark Greenberg. “Chilling Effects: The Expected Public Charge Rule and Its Impact on Legal Immigrant Families Public Benefits Use.” migrationpolicy.org. Migration Policy Institute, June 28, 2019. <https://www.migrationpolicy.org/research/chilling-effects-expected-public-charge-rule-impact-legal-immigrant-families>.

¹⁸ Bernstein, Hamutal, Dulce Gonzalez, Michael Karpman, and Stephen Zuckerman. “One in Seven Adults in Immigrant Families Reported Avoiding Public Benefit Programs in 2018.” Urban Institute, May 22, 2019. https://www.urban.org/sites/default/files/publication/100270/one_in_seven_adults_in_immigrant_families_reported_avoiding_public_benefits_8.pdf.

¹⁹ Ku, Leighton. “New Evidence Demonstrates That The Public Charge Rule Will Harm Immigrant Families and Others.” New Evidence Demonstrates That The Public Charge Rule Will Harm Immigrant Families and Others | Health Affairs. Health Affairs Blog, October 9, 2019. (Compilation of research across fields and amicus briefs) (<https://www.healthaffairs.org/doi/10.1377/hblog20191008.70483/full/>).

²⁰ Ibid

²¹ Batalova, Jeanne, Michael Fix, and Mark Greenberg. “Millions Will Feel Chilling Effects of U.S. Public-Charge Rule That Is Also Likely to Reshape Legal Immigration.” migrationpolicy.org, November 12, 2019. <https://www.migrationpolicy.org/news/chilling-effects-us-public-charge-rule-commentary>;

Rice, Douglas. “Trump Budget Would Slash Rent Aid for Struggling Seniors,

Families, Others.” Center on Budget and Policy Priorities, March 19, 2019. <https://www.cbpp.org/blog/trump-budget-would-slash-rent-aid-for-struggling-seniors-families-others;>

Fessler, Pam. “Bipartisan Disapproval Over Trump Administration’s Housing Program Cuts.” NPR, 3 Apr. 2019, <https://www.npr.org/2019/04/03/709529287/bipartisan-disapproval-over-trump-administrations-housing-program-cuts>.

²² Rice, Douglas, Center on Budget and Policy Priorities.

²³ Low-Income Housing Tax Credit Improved Data and Oversight Would Strengthen Cost Assessment and Fraud Risk Management. U.S. Government Accountability Office: Report to the Chairman, Committee on the Judiciary, U.S. Senate, Sept. 2018, pp. 31-32. www.gao.gov/assets/700/694541.pdf.

²⁴ Wheaton, Laura. “Estimated Effect of Recent Proposed Changes to SNAP Regulations.” Urban Institute, November 25, 2019, 18-19. https://www.urban.org/research/publication/estimated-effect-recent-proposed-changes-snap-regulations/view/full_report.

²⁵ Ibid, 18-19.

²⁶ Ibid

²⁷ A Plan of Action to End Hunger in America. Food Research and Action Center, Oct. 2015, 15-16. <http://www.frac.org/wp-content/uploads/2016/10/plan-to-end-hunger-in-america.pdf>

²⁸ Leftin, Joshua, Thomas Godfrey, James Mabli, Nancy Wemmerus, and Stephen Tordella. “Examination of the Effect of SNAP Benefit and Eligibility Parameters on Low-Income Households.” Decision Demographics under Contract No. AG-3198-C-15-0015. U.S. Department of Agriculture, Food and Nutrition Service, October 2017, 63-64. <https://fns-prod.azureedge.net/sites/default/files/ops/SNAPBEP.pdf>.

²⁹ Ibid

³⁰ National Academies of Sciences, Engineering, and Medicine. 2019. A Roadmap to Reducing Child Poverty. Washington, DC: The National Academies Press, 424-440. <https://www.nap.edu/read/25246/chapter/1>

³¹ “A Picture of Subsidized Households General Description of the Data with Bibliography: HUD USER.” A Picture of Subsidized Households General Description of the Data with Bibliography | HUD USER. U.S. Housing and Urban Development, 2018. <https://www.huduser.gov/portal/datasets/assthsq/statedata96/descript.htm>.

Aurand, Andrew, Dan Emmauel, Ellen Errico, Dina Pinsky, and Diane Yentel. "The Gap: Shortage of Affordable Homes." National Low-Income Housing Coalition, March 2019, 13. https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2019.pdf

³² Ingrid Gould Ellen & Keren Mertens Horn (2018): Points for Place: Can State Governments Shape Siting Patterns of Low-Income Housing Tax Credit Developments?, Housing Policy Debate, 6-13. <https://nlihc.org/sites/default/files/Points-for-Place.pdf>

Fischer, Will. "Low-Income Housing Tax Credit Could Do More to Expand Opportunity for Poor Families." Center on Budget and Policy Priorities, September 19, 2018, 4-6. <https://www.cbpp.org/sites/default/files/atoms/files/8-28-18hous.pdf>.

³³ Taylor, Lauren. "Housing and Health: An Overview of The Literature." Housing and Health: An Overview of The Literature | Health Affairs, 7 June 2018, 3-4. https://www.healthaffairs.org/doi/10.1377/hpb20180313.396577/full/HPB_2018_RWJF_01_W.pdf<https://www.healthaffairs.org/doi/10.1377/hpb20180313.396577/full/>.

³⁴ Perreira, Krista M., and Juan M. Pedroza. "Policies of Exclusion: Implications for the Health of Immigrants and Their Children." Annual Review of Public Health, vol. 40, no. 1, 2019, pp. 147-166., doi:10.1146/annurev-publhealth-040218-044115.