



NATIONAL LOW INCOME
HOUSING COALITION/LIHC

*Dedicated solely to ending America's
affordable housing crisis*

NEWS

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Rising Housing, Transportation Costs Hurt Families

A new report released today by the Surface Transportation Policy Project (STPP), *Transportation and the American Dream*, finds that families are spending more than half of their incomes on transportation and housing costs combined. Low income families are the hardest hit, with the fifth of households with the lowest incomes spending 40% of their incomes on transportation alone.

As families know, housing and transportation costs are intrinsically linked. Rising housing costs mean that families are forced to move farther away from jobs to find housing they can afford, raising their transportation expenses. At the same time, rising transportation costs mean that families have less to spend on housing. For families who rent, a strained household budget can mean having too little left over to afford other necessities, being forced to choose substandard housing, or in the most extreme cases, being forced into homelessness.

Further, high transportation costs can limit families' ability to move into homeownership. Owning one or more automobiles drains money from family budgets, leaving little left to invest in the purchase of a home or in other savings. On the other hand, when families own their homes, they build equity in an investment that can be expected to appreciate over time.

The release of *Transportation and the American Dream* comes at a time when both housing and transportation programs that benefit people with low incomes are facing threats by the Bush Administration and members of Congress. As STPP points out, the House subcommittee that deals with transportation issues would cut investment in public transportation—including rail, pedestrian and bicycling projects—thereby making families even more dependent on their personal automobiles.

The threats to housing programs loom large as well. The President's budget request would severely underfund the Housing Choice Voucher program, which helps 2 million low income families afford decent housing. A new report by the Center on Budget and Policy Priorities finds that the President's request for voucher funding is \$1.26 billion short and would fail to fund at least 184,000 vouchers currently in use.

Further, the Administration's FY04 budget request inadequately funds the public housing capital program, zeros out the HOPE VI program that provides communities with funds to redevelop distressed public housing, and does not allocate any funding for housing production, despite a 2 million home gap in the number of low income families and the number of rental homes affordable to them. The Administration opposes the establishment of a National Housing Trust Fund, which would provide communities with funds to build, rehabilitate and preserve 1.5 million homes over the next decade. This is despite the fact that National Housing Trust Fund legislation has 203 cosponsors and has been endorsed by more than 4,300 organizations and local leaders, including STPP.

Our families and our communities depend on safe, decent and affordable housing and transportation options. The National Low Income Housing Coalition applauds STPP for making clear the interconnectedness of housing and transportation and calls on the Administration to make an investment in each a national priority.