

HEALTHCARE FOUNDATION

The Housing Continuum

The housing continuum represents the range of housing types necessary in a community to meet the needs of its residents. At one end are emergency shelters, which provide shelter from sleeping outside for people without housing. On the other end are market rate ownership options, from entrylevel to luxury homes. Along the continuum are options to serve community members of various household sizes and life circumstances.

Montana has approximately 45 affordable and available homes per 100 renter households with extremely low incomes (less than 30% Area Median income).^[1]

In a perfectly functioning housing market, there are enough homes at each continuum level to allow households to move freely among different housing types as their life circumstances change.

In reality, in nearly all communities, there are constraints within segments of the housing continuum that result in shortages of certain types of units and price points.

THIS BRIEF

will break down each step of the housing continuum and explain how households move throughout it over their lifetimes.

The Housing Continuum

Homelessness

composition.

People without homes are a

part of the housing ecosystem.

People may lose their homes

and experience homelessness

for various reasons, including

iob loss, domestic violence,

physical or mental illness or

Homelessness can be

categorized as chronic,

episodic, transitional, and

hidden. While each type of

different response, ultimately,

having enough housing in a

community is the answer. In

communities with sufficient

remain housed with support.

housing, even those people with

barriers can secure housing and

homelessness requires a

the sale of their rental, eviction,

disability, or changes in family

Supportive Housing

Supportive housing

improves health and

social outcomes for

people with complex

chronic physical and

behavioral conditions

who are homeless. Often

these individuals require

services to remain stably

tenants will require long-

term rental assistance.

permanent supportive

housed, and many

supportive housing

Since most communities build verv few new subsidized rental units, most new affordable rentals are built using funds from the Low-Income Housing Tax Credit. These units are for households earning less than 60% of the area median income and come with long-term deed restrictions on rent. When those restrictions expire, the units are often converted to market rates unless community developers are able to purchase or otherwise arrange to maintain them as affordable units.

Rent-Restricted Rentals

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Subsidized Rentals

Subsidized housing is a form of assistance for low-income households that cannot afford to rent homes at market prices. Subsidized rentals use 30% of the tenants' income toward housing, with any remaining rental costs paid by a subsidy.

The U.S. Department of Housing and Urban Development (HUD) provides most subsidies in urban areas, and the U.S. Department of Agriculture (USDA) subsidizes housing in rural areas.

Subsidies can be vouchers that tenants can use in their choice of qualified rental units, or they can be attached to specific rental units. Nationally, there are only subsidies available for one in four households that qualify, and waiting lists may be years long.

Emergency Shelter

Emergency shelters are intended to be a temporary crisis response to help people who are homeless. When not enough affordable rentals are available in the community, the amount of time a person or family spends in an emergency shelter can be extended.

Transitional Housing

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Transitional housing is a temporary accommodation that bridges the gap from homelessness or an emergency shelter to permanent housing. Typically, some supportive services are offered depending on the need, for example, behavioral health care for people with mental illness or substance use disorders.

Assisted Homeownership

For households with stable incomes and strong credit that cannot afford marketrate ownership, assisted ownership programs provide the opportunity to stabilize housing costs and build equity. Programs include downpayment assistance gap financing, self-help building programs, and Community Land Trusts.

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RENT

Most renters live in units provided by the private sector and pay marketbased rents. These rents vary by market and can fluctuate. Benefits include increased flexibility and sometimes lower prices. Downsides include low security and rising costs in markets with rapidly escalating prices.

Market Ownership

Like the rental market, homes in this market can be found at various price points determined by location, type, condition, age, and house amenities.

Moving Up and Down the Housing Continuum

As households gain employment, necessary services, and other financial resources, they are more able to secure permanent housing. Conversely, households that experience a life event that results in reduced income, such as the loss of a partner, lengthy illness or disability, or retirement, or events that change household composition, may find themselves moving down the continuum to housing that reflects their changed resources or more adequately meets the needs of their current circumstances.

When there are not enough quality, affordable homes in the community, households may rely on substandard units, be forced to pay more than 30% of their income toward their housing (which leads to food insecurity, the need to skip medications and health care, and other health-harming consequences), or become homeless.

A healthy community has adequate supply along all parts of the housing continuum to meet these ever-changing needs.

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Increased Income • • • • • • • • • • • • • • • • • • •	
Household Changes ••••••••••••••••••••••••••••••••••••	
Decrease in Household Expenses •••••••••••••••••••••••••••••••••••	
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