HOUSING INSTABILITY INDEX

Housing affordability is a delicate balance. When housing costs exceed 30% of household income, the household is considered *cost burdened*. This leaves less income available to spend on taxable goods and services or other necessary expenses, also known as *foregone spending*. Local and state economies lose an estimated average of $6,000 per household annually in foregone spending tied to housing cost burden for every household with incomes under $75,000.

Cost burden disproportionately impacts lower-income households, which often forces them into substandard or overcrowded housing, longer commutes and ongoing financial instability. Cost-burdened households face increased stress and related mental health challenges, and risk eviction or foreclosure. These cascading challenges contribute to what is known as *housing instability*. The secondary effects of housing instability are increased costs of recruitment and retention for local employers and goods and services for local consumers; they destabilize communities and strain local resources, social services, and the broader economy.

To better understand and address these issues, housing experts and policymakers use tools such as the *Housing Instability Index (HII)*, which examines key factors such as rent burden, eviction rates, and cost-of-living pressures. While there is no universally accepted index, researchers and organizations such as the U.S. Department of Housing and Urban Development, National Low-Income Housing Coalition, and Princeton Eviction Lab commonly consider the following indicators:

- Cost burden
- Eviction and foreclosure rates
- Overcrowding
- Commuting patterns and distances
- Homelessness rates
- Displacement risk
- Access to essential services

Many cities and regions use the HII to inform housing strategies and guide investments in affordable housing development, rental assistance programs, and anti-displacement initiatives. The HII helps track indicators over time and measures the effectiveness of housing policies. By providing a comprehensive measure of housing challenges, the HII plays a critical role in shaping policies that create more stable and affordable communities for everyone.

At COMPASS, we plan for long-range transportation projects in the Ada and Canyon Counties; therefore, we think of housing challenges through the lens of "accessing essential services" such as employment, healthcare, education, and groceries. Transportation plays a critical role in this access; long commutes, lack of public transit, and high transportation costs are common barriers to stable employment, necessary services, and social networks. Taken together, these create a feedback loop that perpetuates housing and economic instability.

Families may be forced to choose between living in remote areas with lower housing costs—and limited access to jobs and services—or paying higher rent in higher-opportunity neighborhoods. This tradeoff can contribute to financial strain, reduce quality of life, and increase displacement risk. This will be addressed further when we investigate the "*Housing and Transportation Index.*"

To address these issues, city planners and policymakers may consider integrating housing and transportation discussions and policies. Strategies such as supporting transit-oriented development, increasing transportation network connectivity, and implementing affordable housing near job centers can reduce transportation costs and improve accessibility for vulnerable populations.

Read

Healthy People 2030 - Housing Instability

PEW - How Housing Costs Drive Levels of Homelessness

Urban Institute - Mapping Neighborhoods with the Highest Risk of Housing Instability and Homelessness

Urban Institute - Improving Measures of Housing Insecurity: A Path Forward

Interact

National Low Income Housing Coalition - How much do you need to earn to afford a modest apartment in your state?

Princeton Eviction Lab - Eviction Map