The poorest in the U.S. can't find housing even as low-income units sit empty

By CLAIRE RUSH
Associated Press

PORTLAND, Ore. — Mathew Davis, who lives in a homeless shelter in Austin, Texas, would love an apartment of his own. But with the little money he makes donating blood plasma, even a $450-a-month tiny home with no running water and a communal bathroom would be a stretch.

Meanwhile, over 4,500 units the city classifies as affordable — nearly 16% — sit empty.

"I don't make enough money really to afford anything," Davis, 49, said of the few hundred dollars he earns a month. "I just keep trying to swim uphill."

The poorest people in the U.S. face the most acute shortages of affordable homes. But the majority of low-income housing financed in recent years is for those earning 50% of an area's median income or above, according to a survey of state housing agencies.

Some cities are now seeing an uptick in vacancies as rents for these units approach market rates. The result: Apartments designated as affordable sit empty because the poorest of the poor cannot afford them.

Meanwhile, some people are forced into homelessness and others into desperate circumstances to pay for housing they can't afford.

THE POOREST HAVE FEW HOUSING OPTIONS

There are only about 4 million affordable rental units available for the country's 11 million extremely low-income renter households, according to the National Low Income Housing Coalition's most recent annual report.

These are people with annual incomes either below the federal poverty guidelines — just under $16,000 for a single-person household — or 30% of the median income in their area, whichever is higher.

They comprise about a quarter of U.S. renter households, and include many people working low-wage jobs, seniors and those with disabilities living on fixed incomes.

About three-quarters of extremely low-income renter households pay over half their income on rent and utilities, the report said, leaving little leftover for other necessities.

Yet homes set aside for these renters were only about 12% of the affordable housing units financed in 2024 by the Low-Income Housing Tax Credit — a federal program providing tax credits to developers in exchange for keeping rents low for at least 30 years, according to figures from the National Council of State Housing Agencies.

The majority are for those earning at least 50% of an area's median income, or AMI. In Austin, that's a single person earning roughly $47,000 a year, as compared with an extremely low-income person earning under $28,000.

The program has financed nearly 4 million affordable units nationwide since its creation 40 years ago. But some experts say it's inefficient — and more costly than housing vouchers.

"It's enormously complex and bureaucratic, and it raises the cost of construction enormously because the rules are so complicated," said Chris Edwards, an economist at the Cato Institute, a libertarian think tank, who told Congress the program's complexity "spawned" an industry of law and accounting firms just to administer it.

"If you're going to subsidize affordable housing, you should give the money directly to tenants," he said, referring to housing vouchers.

Other experts say the two programs work together well because

DAVID ZALUBOWSKI / AP

A person sweeps outside during the grand opening of the Rose on Colfax, a new affordable housing community with a co-located childcare center in the East Colfax neighborhood, Jan. 24, 2024, in Denver.

"I just keep trying to swim uphill."
Matthew Davis
Austin, Texas resident

properties built with the tax credit are required to accept vouchers — while landlords of market-rate apartments in many states are not.

Still, there's a major federal funding shortfall: Experts estimate only one-in-four eligible families ever receive vouchers. Vouchers can help the poorest pay for housing that's targeted to higher income groups, but the waitlist can be yearslong.

Some affordable housing developers say that without vouchers, it's not economically feasible to provide units for extremely low-income people.

True Ground Housing Partners, an affordable housing developer in the Washington, D.C., area, gives an example: A unit for those earning 60% of the area's median income — nearly $70,000 a year — brings in $1,715 per month in rent. But after $1,575 in mortgage and operating expenses, only $140 is left.

"The math does not lie," said president and CEO Carmen Romero, noting that an extremely low-income person would pay only half that rent.

"Our expenses don't make it really possible to create a 30% AMI unit, unless there was this extraordinary amount of subsidy that just doesn't exist."

AFFORDABLE HOUSING COMPETES WITH MARKET-RATE RENTS

Meanwhile, affordable housing rents for 60% AMI units are approaching those of market-rate apartments in U.S. cities like Austin, Denver and Portland, Oregon.

As a result, some people are opting to pay a bit more for market-rate apartments with less income-verification and faster approval — leaving growing numbers of affordable units vacant.

In Austin, the vacancy rate for all affordable housing is nearly 16% with over 4,500 vacant units, according to real estate data and analytics firm CoStar. A healthy vacancy rate is around 5%.

LDG Development, an affordable housing developer, cited a 12% vacancy rate for its 60% AMI units in Austin. Chief portfolio officer Rebekah Fischer said LDG is "in direct competition" with the thousands of new market-rate apartments recently built in Austin.

"I have to have every bank statement, every pay check, every bill, every Venmo transaction that you had with your friends," Fischer said of affordable housing applicants.

"When we're almost going after the same renter, you can be approved within two minutes at a market-rate deal, where unfortunately in affordable housing ... it takes time."

In Denver, there's a 13% vacancy rate among 60% AMI units financed by the federal tax credit program — and a 21% vacancy rate for 80% AMI units, according to the Colorado Housing and Finance Authority. Meanwhile, there is far too little housing for the city's poorest.

In Portland, where there is also a housing shortage for the lowest income groups, there are over 1,700 vacant affordable units for an overall vacancy rate of 7.5%, according to the Portland Housing Bureau. Most are for those earning 60% AMI, or about $54,000 for a single-person household, with rent capped at $1,444 per month.

That's close to the average rent of $1,581 for a one-bedroom market-rate apartment, according to CoStar figures shared by the bureau.

Portland resident Jaiden Barbee earns around 55% of the area median income and is on waitlists for affordable housing. But, he says, he'd pay more for a market-rate apartment to avoid the lengthy application process.

"I'd rather spend the $200 extra just to get into a place easier that's wherever I want" and doesn't have "all these hoops," he said.

'I WANT TO SHUT THE DOOR AT NIGHT AND SLEEP'

Austin officials set a goal of building 20,000 units between 2018 and 2027 for extremely low-income people — 17% of the city's households.

Just 543 were built as of 2024, city documents show.

Meanwhile, all 15,000 units planned for those earning between 60% and 80% of area median income were built.

In response to questions from The Associated Press, the Austin housing department said it recognized the need to do more to produce housing for the poorest people and was taking steps to do that, including giving preference to funding proposals that include 30% AMI units.

For Davis, who lived in his car for a year before getting a bed in the Austin shelter, the housing shortage for people like him is frustrating.

"I want to shut the door at night and be able to sleep," he said. "I really just want to find the right place."

U.S. tourism groups want to win Canadian visitors back

By RIO YAMAT
AP Airlines and Travel Writer

LAS VEGAS — Appeals from American tourism organizations seemed to be everywhere Josh Loewen looked over the last year. Billboards and banners proclaimed a state or city's love for Canada. Online and social media ads offered special deals for travelers from north of the border.

As a Vancouver resident and marketing executive himself, Loewen said he understands the conciliatory overtures. The number of Canadians traveling to the United States plunged after President Donald Trump returned to office with remarks about making Canada the 51st state. An acrimonious trade war between the two countries now is threatening to reinforce the informal boycott just as it appeared to be easing slightly.

"It's such a big ask right now," Loewen, 45, said of the U.S. tourism industry's attempts to woo Canadians like him back before a new president occupies the White House. "It's just a wasted effort."

Relations between the U.S. and Canadian governments have deteriorated sharply since their trade negotiations collapsed last month. Trump imposed import taxes of up to 50% on a range of Canadian products. Canada's government responded in kind. Trump ordered the U.S. government to change the name of border-spanning Lake Ontario to "Lake America." Canadian Prime Minister Mark Carney dismissed insults from members of Trump's Cabinet as childish and undignified.

The bilateral rift has not stopped state and local tourism officials and popular destinations like Graceland from trying to persuade Canadian visitors to return.

New York state launched a "NY Loves Canada" promotion this summer, offering discounts at hotels, restaurants and attractions. Some downtown Las Vegas hotels are treating the Canadian dollar as equivalent to the U.S. dollar to give Canadian visitors more value for their money. Las Vegas tourism

MIKE HOUSEHOLDER / AP

City Councillor Renaldo Agostino looks at the Detroit skyline across the Detroit River Monday, Aug. 24, 2026, in Windsor, Ontario.

officials went to Canada last month to meet with travel advisers, tour operators and airline representatives.

"We're here to make sure you know that we care about Canada," Steve Hill, president of the Las Vegas Convention and Visitors Authority, said while in Vancouver.

The outreach is happening at the national level, too. Brand USA, the U.S. tourism industry's marketing organization, is bringing its Travel Week trade-event series to Canada for the first time in October, expanding and rebranding an earlier program known as Canada Connect.

Travel to the U.S. from Canada remains well below 2024 levels

Canada traditionally sent more overnight international visitors to the United States than any other country. Amid last year's consumer-led backlash, both same-day trips and longer stays nosedived. Canadian residents made 25% fewer return border crossings and spent about $2.4 billion (CA$3.3 billion) less on travel to the U.S. in 2025 than they had the year before, according to Canada's national statistical agency, Statistics Canada.

The retreat coincided with other headwinds, including a weaker Canadian dollar that made traveling to the U.S. more expensive and rising prices for airfares and hotels. Canadian air travel to the U.S. started declining in September 2023, Statistics Canada data shows.

But the abrupt pullback in stateside travel that accompanied Trump's second presidency and extended into this year signaled "a persistent shift away from the United States by Canadian residents in their travel preferences," agency analysts said in a July report.

Tentative signs of improvement emerged in May, June and July, when border crossings picked up slightly, the agency reported. The latter two months coincided with the 2026 World Cup, which the U.S., Canada and Mexico cohosted.