

Policies That Could Combat the Affordable Housing Crisis

By Christina Hughes Babb, DSNews, September 28, 2020

Several housing advocates recommend policies that could make a difference when it comes to the issue of "housing underproduction," on which the Up For Growth organization published an [extensive study](#). Said investigation showed "nearly every corner of the country bears part of the burden for the national 7.3 million home shortage." In other words, it does not matter whether they looked at rural or urban areas, the "crisis" can be felt all across America.

Up For Growth author Mike Kingsella interviewed several member-experts from smaller cities about the housing challenges they've seen and what policies, if enacted, would make the biggest positive difference.

"Though they represent different types of communities located hundreds of miles apart, some similarities in their experiences emerge," wrote Kingsella. For example, two interviewees indicated that "various local, state, and federal tax incentives or programs are not currently geared to create affordable housing options in their communities. [Another] shared that zoning restrictions are making it harder to build the housing needed to keep up with housing demand ..."

A couple of noteworthy takeaways included:

- ***The appraisal gap, lack of investment in distressed communities confirm need for Neighborhood Homes Investment Act.***

John Niederman of Pathfinder Services in Huntington, Indiana told Up For Growth that the appraisal gap in rural communities where he works prevents those who want to move into rural communities from doing so, yet those are the very areas that want and need new families to compensate for "population loss or stagnation."

He added that issues including COVID-related foreclosures, lack of funding to rehabilitate properties, and lack of government assistance in making housing more affordable underscore the need for passing the [Neighborhood Homes Investment Act](#) (H.R. 3316).

"The legislation, sponsored by Reps. Brian Higgins (D-NY) and Mike Kelly (R-PA), provides tax credits to the rehabilitation of older homes in distressed communities--up to 35% of development costs," explained Kingsella.

"NHIA targets low-income communities to maximize the impact of the tax credit on the areas and families that need it the most. Eligible neighborhoods must have poverty rates that are 130% or greater than the metro or state rate; have incomes that are 80% or less that area median income; and have home values that are below the metro or state median value."

The act is part of a larger act that has not yet received senate approval.

- **The YIMBY Act could improve many neighborhoods**

Josh Hanshaw of the Habitat for Humanity affiliate in Lincoln, Nebraska, as well as Chris Hall, General Counsel and Director of Regional Initiatives for the Greater Portland, Maine, Council of Governments both touched on the advantages of the Yes in My Backyard (YIMBY) Act, which they say would benefit all communities.

“Zoning flexibility would be helpful in developing both single and multifamily developments,” said Hanshaw.

Exclusionary zoning and restrictive land-use policies are two of the focus areas of [YIMBY](#).

“Zoning changes allowing increased housing density is essential to expanding housing choice,” Hall said. “Better integration of transit investments with land use policies focused on expanded housing choices is critical.”

All of the contributors to this report agreed that local, state, and federal incentives and financing options can “spur affordable housing development and [are] essential for smart economic development strategies.”

The HOME Investment Partnerships Program could have a significant impact for small developments, Niederman recommended. And subsidies for larger units under the Low Income Housing Tax Credit (LIHTC) program could be beneficial, he added.

The author summed up the research, noting that, “these observations suggest that every level of government has a role to play in financing, or at least spurring investment in, housing that is affordable for low and moderate-income Americans.”