

POLICY 8:

Housing Location and Affordability

Why Housing Policy Matters. States can enhance economic opportunity for their work force and improve the well-being of their communities by ensuring that families have access to housing that is affordable and near job markets. The location and affordability of housing not only enhance businesses' access to a quality work force, they also provide better opportunities for families' employment and financial success.⁴⁴

Key State Policy Measures. State leaders can enhance economic opportunities for their work force through the policies listed below. Many of these policies leverage private markets and federal funds, thereby making the most effective use of state funding.

8.1 Prohibiting discrimination against the use of vouchers. Portable vouchers are widely considered to be the most effective and low-cost approach to expanding affordable housing in desirable neighborhoods.⁴⁵ Unfortunately, the success of this policy is limited by landlord discrimination against families who use these vouchers.⁴⁶ States can better leverage this successful federal program by passing and enforcing antidiscrimination legislation.

No data update available.

8.2 State housing trust funds. Voucher programs also are less effective for families when private markets fail to provide a sufficient affordable housing supply, such as multi-bedroom rental homes for large families. To assist families in managing this challenge, many states are choosing to fund affordable housing development directly through housing trust funds. These funds have been used to build or preserve tens of thousands of affordable homes across the country, and have the corollary benefit of creating thousands of jobs.⁴⁷ If targeted correctly, housing trust funds can play an important role in preserving mixed-income communities.⁴⁸ Research indicates that this type of policy, in concert with antidiscrimination legislation, plays an important role in state efforts to improve access to affordable housing.⁴⁹ States employ two key policy measures to enhance housing trust funds: assigning a dedicated revenue source, and allowing revenues to accrue without a funding cap. These policy measures are tracked in the data tables as new baseline data on the following pages.

Change in 2007: *Policy Matters* is now using new data classifications for this measure, therefore no changes are reflected.

8.3 State tax incentives for developers. States also can provide tax incentives at the state level for developers who construct low-wage housing. This policy creates incentives for private investment to encourage private markets to increase the supply of affordable housing.

No data update available.

8.4 Targeting federal tax credits to key populations. States can establish a Qualified Allocation Plan (QAP) for the Low Income Housing Tax Credit, which would target federal tax credits toward the production of housing units for those populations who can best utilize them.

No data update available.

Housing Location and Affordability Policy Measures

Measure 8.1: Prohibiting Discrimination Against the Use of Vouchers

Does the state promote access to affordable housing through statutes prohibiting discrimination against voucher holders? *Table reflects policy as of 2005.*

Yes	Calif., Conn., D.C., Maine, Mass., Minn., N.J., N.D., Okla., Utah, Vt., Wis.
No	Ala., Alaska, Ariz., Ark., Colo., Del., Fla., Ga., Hawaii, Idaho, Ill., Ind., Iowa, Kan., Ky., La., Md., Mich., Miss., Mo., Mont., Neb., Nev., N.H., N.M., N.Y., N.C., Ohio, Ore.*, Pa., R.I., S.C., S.D., Tenn., Texas, Va., Wash., W.Va., Wyo.

*Although Oregon prohibits discrimination based on source of income, federal rent subsidies are excluded from the definition of source of income.

Measure 8.2: State Housing Trust Funds

Does the state (a) assign a dedicated revenue source and (b) allow revenues to accrue without a funding cap in its state housing trust fund? *Table reflects policy as of 2007.*

Yes	Ariz., Conn., Del., D.C., Hawaii, Ill., Kan., Ky., La., Maine, Md., Minn., Mo., Neb., Nev., N.J., Ore., S.C., Vt., Wash.
Allows revenues to accrue without a funding cap, but does not assign a dedicated revenue source*	Calif., Fla.,* Ga., Ind., Iowa, Mass., Mich., Mont., N.H., N.M., N.Y., N.C., Ohio,* Okla., Texas, Utah, W.Va.
No state housing trust fund	Ala., Alaska, Ark., Colo., Idaho,** Miss., N.D., Pa., R.I., S.D., Tenn., Va., Wis., Wyo.

*Florida and Ohio are the only exceptions in this category: these states assign a dedicated revenue source but also maintain a funding cap.

**Idaho has enacted a housing trust fund, but has not provided funding.

Measure 8.3: State Tax Incentives for Developers

Does the state leverage private markets by providing developer tax credits for the production of affordable housing? *Table reflects policy as of 2003.*

Yes	Ark., Calif., Conn., Ga., Hawaii, Ill., Iowa, Mass., Mich., Mo., N.Y., N.C., Ore., Utah, Vt., Va.
No	Ala., Alaska, Ariz., Colo., Del., D.C., Fla., Idaho, Ind., Kan., Ky., La., Maine, Md., Minn., Miss., Mont., Neb., Nev., N.H., N.J., N.M., N.D., Ohio, Okla., Pa., R.I., S.C., S.D., Tenn., Texas, Wash., W.Va., Wis., Wyo.

Measure 8.4: Targeting Federal Credits to Key Populations

Does the state target federal tax credits to increase the supply of affordable housing for families with restricted access to private housing markets? This includes families who are/have: 1) special needs, 2) very low-wages (below 50 percent of area median income), 3) large families, 4) homeless, 5) at-risk, and 6) minorities. *Table reflects policy as of 2001.*

All six preferences	R.I.
5 of 6 preferences	Kan., Minn., N.D., Utah, Wash., W.Va.
4 of 6	Ala., Ill., Ind., Iowa, Ky., La., Maine, Md., Mass., Mich., N.H., N.M., N.C., Ohio, S.D., Tenn., Va., Wis., Wyo.
3 of 6	Alaska, Ariz., Ark., Calif., Conn., Hawaii, Idaho, Mont., Nev., N.Y., Pa., S.C., Texas
2 of 6	Okla., N.J.
1 of 6	
None	Colo., Del., Fla., Ga., Miss., Mo., Neb., Ore., Vt.

The District of Columbia is excluded because the District's QAP was not included in the data source.

Selected State Housing Policies

STATE	8.1		8.2		8.3		8.4			
	PROHIBITS VOUCHER DISCRIMINATION		HOUSING TRUST FUND		DEVELOPER TAX CREDIT		STATE TARGETS HOUSING ASSISTANCE TO:			
	Designated Revenue Source	Accrual With No Funding Cap	Special Needs	Very Low-Wage ^(d)	Large Families	Homeless Families	At-Risk Families	Minority Families		
Alabama	-	No HTF	No HTF	-	Yes	Yes	Yes	-	Yes	-
Alaska	-	No HTF	No HTF	-	Yes	Yes	Yes	-	-	-
Arizona	-	Yes	Yes	-	Yes	Yes	Yes	-	-	-
Arkansas	-	No HTF	No HTF	Yes	Yes	-	Yes	Yes	-	-
California	Yes	-	Yes	Yes	Yes	Yes	Yes	-	-	-
Colorado	-	No HTF	No HTF	-	-	-	-	-	-	-
Connecticut	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	-	-
Delaware	-	Yes	Yes	-	-	-	-	-	-	-
District of Columbia	Yes	Yes	Yes	-	N/A	N/A	N/A	N/A	N/A	N/A
Florida	-	Yes	-	-	-	-	-	-	-	-
Georgia	-	-	Yes	Yes	-	-	-	-	-	-
Hawaii	-	Yes	Yes	Yes	Yes	Yes	Yes	-	-	-
Idaho	-	[b]	[b]	-	Yes	-	Yes	-	Yes	-
Illinois	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	-
Indiana	-	-	Yes	-	Yes	Yes	-	Yes	Yes	-
Iowa	-	-	Yes	Yes	Yes	Yes	Yes	-	Yes	-
Kansas	-	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	-
Kentucky	-	Yes	Yes	-	Yes	-	Yes	Yes	Yes	-
Louisiana	-	Yes	Yes	-	Yes	Yes	Yes	Yes	-	-
Maine	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes	-	-
Maryland	-	Yes	Yes	-	Yes	Yes	Yes	Yes	-	-
Massachusetts	Yes	-	Yes	Yes	Yes	Yes	Yes	Yes	-	-
Michigan	-	-	Yes	Yes	Yes	Yes	-	Yes	Yes	-
Minnesota	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	-
Mississippi	-	No HTF	No HTF	-	-	-	-	-	-	-
Missouri	-	Yes	Yes	Yes	-	-	-	-	-	-
Montana	-	-	Yes	-	Yes	Yes	Yes	-	-	-
Nebraska	-	Yes	Yes	-	-	-	-	-	-	-
Nevada	-	Yes	Yes	-	Yes	Yes	Yes	-	-	-
New Hampshire	-	-	Yes	-	Yes	Yes	Yes	Yes	-	-
New Jersey	Yes	Yes	Yes	-	-	-	Yes	Yes	-	-
New Mexico	-	-	Yes	-	Yes	Yes	-	-	Yes	Yes
New York	-	-	Yes	Yes	Yes	Yes	Yes	-	-	-
North Carolina	-	-	Yes	Yes	Yes	Yes	-	Yes	Yes	-
North Dakota	Yes	No HTF	No HTF	-	Yes	Yes	Yes	Yes	Yes	-
Ohio	-	Yes	-	-	Yes	Yes	Yes	-	Yes	-
Oklahoma	Yes	-	Yes	-	Yes	Yes	-	-	-	-
Oregon	[a]	Yes	Yes	Yes	-	-	-	-	-	-
Pennsylvania	-	[c]	[c]	-	Yes	Yes	Yes	-	-	-
Rhode Island	-	No HTF	No HTF	-	Yes	Yes	Yes	Yes	Yes	Yes
South Carolina	-	Yes	Yes	-	-	Yes	Yes	Yes	-	-
South Dakota	-	No HTF	No HTF	-	Yes	Yes	Yes	Yes	-	-
Tennessee	-	No HTF	No HTF	-	-	Yes	Yes	Yes	Yes	-
Texas	-	-	Yes	-	Yes	-	Yes	Yes	-	-
Utah	Yes	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-
Vermont	Yes	Yes	Yes	Yes	-	-	-	-	-	-
Virginia	-	No HTF	No HTF	Yes	Yes	Yes	Yes	Yes	-	-
Washington	-	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	-
West Virginia	-	-	Yes	-	Yes	Yes	Yes	Yes	Yes	-
Wisconsin	Yes	No HTF [e]	No HTF [e]	-	Yes	Yes	Yes	Yes	-	-
Wyoming	-	No HTF	No HTF	-	Yes	Yes	Yes	Yes	-	-
Year Data Collected	2005	2007	2007	2003	2001					

Data Source:

- 8.1 National Housing Law Project. "Source of Income Protections in the U.S.: Statutes, Cases, Reference Materials." Section 8 Housing. Updated 2005. Retrieved July 2005. <http://www.nhlp.org/html/sec8>.
- 8.2 CFED, "Core Policy Overview: Housing Trust Fund," *2007-2008 Assets and Opportunities Scorecard*, Washington, DC: Retrieved October, 2007.
- 8.3 National Council of State Housing Agencies. *State HFA Fact Book: NCSHA 2003 Annual Survey Results*. Washington, D.C.: National Council of State Housing Agencies, 2004.
- 8.4 Gustafson, Jeremy and Walker, J. Christopher. *Analysis of the State QAP for the LIHTC Program*. Analysis prepared by the Urban Institute for the U.S. Department of Housing and Urban Development, May 2002.

Data Table Notes:

- a. Oregon prohibits discrimination in real estate transactions based on source of income, but specifically excludes federal rent subsidy payments under 42 U.S.C. § 1437f from its definition of source of income.
- b. Idaho technically has passed legislation authorizing the creation of a state housing trust fund. However, the state has never committed a revenue source, and has no current plans to dedicate revenue for the trust fund.
- c. Pennsylvania does not have a state housing trust fund, but it does have enabling legislation that allows county housing trust funds.
- d. Very low-income is defined as at or below 50 percent of the area median income.
- e. Wisconsin does not have a housing trust fund comparable to other states. Instead it has an Interest Bearing Real Estate Trust Account (IBRETA). State statutes require that real estate brokers establish interest-bearing real estate trust accounts for deposit all down payments, earnest money and other trust funds they receive related to the conveyance of real estate. Banks and other financial institutions remit the interest from these accounts, after deducting administrative expenses, to the Department of Commerce, Division of Housing and Community Development which, in turn, uses them to help fund emergency and transitional homeless programs. (Source: Martha Cranley of the Wisconsin Council on Children and Families via electronic mail, January 4, 2008).