



Deconstructing the National Housing Dilemma

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- Low- and moderate-income Americans are facing a lack of safe, stable and affordable housing.
- States are grappling with how to address this complex issue.
- In 2023, NCSL has observed an 89% increase in introduced legislation.



States Explore Housing Solutions

- [NCSL Housing and Homelessness Legislative Database](#)
- [Middle Housing: Filling a Gap in Available Housing Options](#)
- [States Offer Consumer Protections to Buyers Who Opt for Alternative Home Financing](#)
- [Podcast: Unpacking the Housing Crisis](#)



NCSL Housing Resources

Need NCSL's Help? Reach Out!



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Session Survey



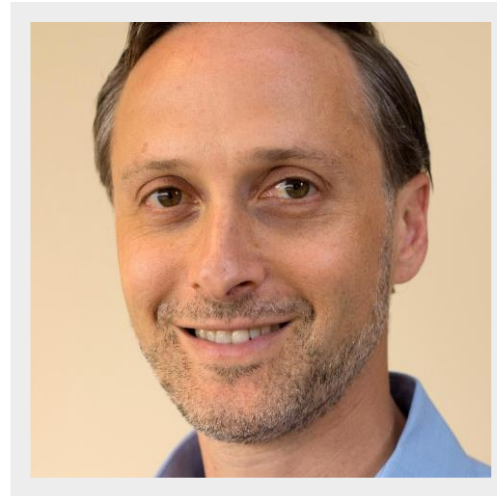
Survey: Deconstructing the
National Housing Dilemma



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Deconstructing the National Housing Dilemma



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Raise your hand if you...



Have seen a greater focus on housing issues at the state level compared with a few years ago.

Survey check-in



- On a scale from 1 to 10, with 10 being the highest, how high a priority is housing for you?
- Are you on a committee with jurisdiction over housing policy or funding?

Outline



- Framing (why, what, drivers of rising housing costs)
- Increase Housing Supply
- Expand Availability of Workforce Housing
- Increase Homeownership
- Develop a Comprehensive and Strategic Approach

Why housing matters



- **Strong Economy and Economic Mobility**
 - A strong economy requires workers; workers need homes they can afford.
- **Health and Education**
 - Lower-income households who live in unaffordable housing often lack funds for nutritious food and health expenses.
 - Homelessness greatly complicates access to health care. Poor-quality housing can contribute to asthma and injuries.
 - Stable affordable housing can improve child development & education outcomes.
- **Quality of Life and Environment**
 - Lack of affordable housing near jobs → traffic congestion, high transportation costs and greenhouse gas emissions.

Survey check-in



- What is your top reason for caring about housing?
 - Sustain economic growth
 - Support stable, healthier families
 - Address climate change
 - Improve quality of life
 - Other: _____

A diverse housing stock



- A well-functioning housing market includes
 - housing that rents or sells at a wide range of price points, particularly in locations close to jobs and public transit.
 - a range of different housing types
- Everyone needs housing they can afford

Multiple Housing Policy Objectives



- Increase the overall supply of housing
- Expand availability of workforce housing
- Increase homeownership
- Prevent and reduce homelessness
- Increase residential stability for renters and homeowners
- Improve housing quality
- Improve energy-efficiency of housing

Raise your hand if you...



Have found it challenging to develop effective policy responses to address your state's housing objectives.

Conditions fueling higher housing costs



- **Demand** (varies by housing market)

- Job growth
- Economic development
- Earnings growth
- Neighborhood revitalization

- **Supply**

- Insufficient new construction
- Federal housing subsidies not keeping pace with population growth



Increase Housing Supply

Survey check-in



- On a scale from 1 to 10, with 10 being the highest, how high a priority is **increasing the supply of housing**?
- How well do you understand the barriers to **housing supply** in your state? (Be honest :)
 - Not very well
 - Moderately well
 - Very well

Barriers to increased housing supply



- Restrictive zoning / regulation
- High land prices, development costs & interest rates
- Long development timelines, permitting delays
- Limited infrastructure
- Limited developer capacity
- Shortages of construction workers
- Limited economies of scale, particularly for single-family housing

What can states do?



- Study main impediments to an increased housing supply
- Zoning reform (multifamily, missing-middle, accessory dwelling units)
- Local planning requirements
- Targeted infrastructure investments
- Developer incentives
- Creative public-private partnerships – for example, pre-buys of large volumes of modular housing to lock in discounts



Expand availability of workforce housing

Survey check-in



- On a scale from 1 to 10, with 10 being the highest, how high a priority is **workforce housing**?
- How well do you understand the barriers to ensuring an adequate supply of **housing for working families** in your state? (Be honest :-)
 - Not very well
 - Moderately well
 - Very well

Barriers to affordable workforce housing



- Insufficient production of new housing
 - Insufficient multifamily housing
 - Insufficient entry-level homes
- Insufficient construction near jobs and/or transit
- High land prices
- High construction costs
- Insufficient incomes

What can states do?



- Study main impediments to affordable workforce housing.
- Increase overall housing supply, particularly:
 - At-scale production of entry-level homes.
 - Multifamily rental.
- Builder's remedy / fair share policies.
- Provide funding for development of workforce housing. Consider targeting 60-120% Area Median Income (AMI).
- Provide incentives for development/acquisition/rehab of workforce housing, particularly near jobs and/or transit.



Increase homeownership

Polls



- On a scale from 1 to 10, with 10 being the highest, how high a priority is **increasing homeownership**?
- How well do you personally understand the barriers to **homeownership** in your state? (Be honest :-)
 - Not very well
 - Moderately well
 - Very well

Barriers to homeownership



- Insufficient savings for a downpayment
- High debt levels
- Low credit scores
- High home purchase prices (related to insufficient production, high land prices, high construction costs, etc.)
- Limited inventory of homes for sale
- Limited entry-level homes being built
- Limited incomes

What can states do?



- Assess main barriers to homeownership and model effects of different program options.
- Increase funding for downpayment assistance.
- Increase funding for credit / financial coaching.
- Increase overall housing supply, particularly at-scale production of entry-level homes.
- Provide funding for development of workforce housing for sale. Consider targeting 60-120% AMI.
- Shared equity homeownership (e.g., community land trusts).



Develop a comprehensive and strategic approach

Survey check-in



- In your state, how many government agencies or departments have responsibility for housing issues at the state level? (It's OK to say you do not know).
- Does your state have a comprehensive housing strategy that encompasses the activities of all the state-level agencies working on housing issues?

Survey check-in



- Rank your state's **overall housing policy** on a scale from 1 to 10, where:
 - 1 = a piecemeal collection of laws and regulations passed at different times and
 - 10 = a comprehensive, coordinated, strategic approach

Challenges of a piecemeal approach



- Many states do not have a statewide housing strategy.
- Many state agencies work on housing issues, and they do not always coordinate.
- Local government is often fragmented and lacks capacity.
- Political will is hard to muster until we reach a crisis.
- Many states / cities wait too long to act; problem is much easier to solve before housing costs get out of control.

What can states do?



- Fund the development of a comprehensive state housing strategy.
 - Preserve and expand dedicated affordable housing.
 - Increase the overall supply of housing.
 - Help families access private-market housing.
 - Improve housing quality and stability.
- Provide funding and technical assistance to local governments to help them develop local comprehensive housing strategies.

Comprehensive housing strategy

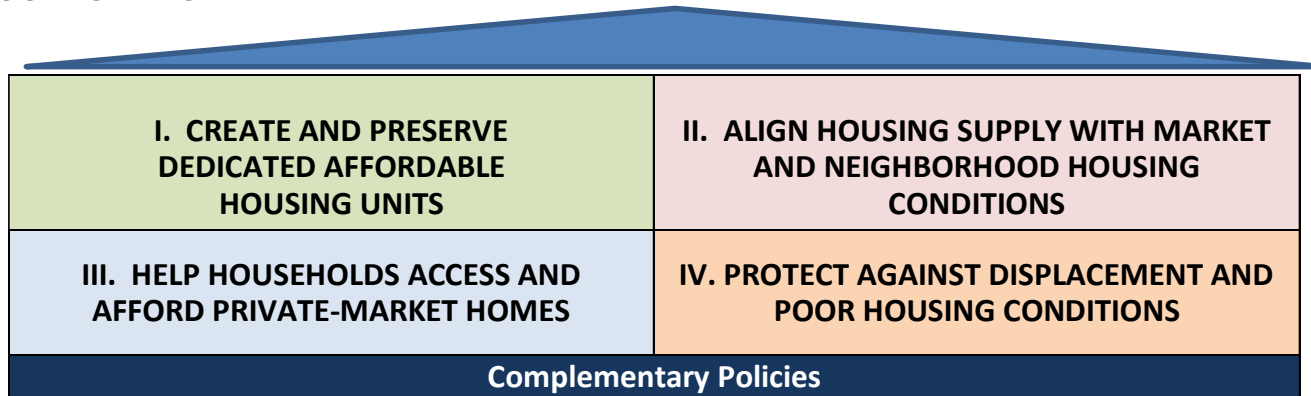


- Includes tools at disposal of all the relevant agencies
- Multifaceted: subsidy, zoning, tax, loans, planning, permitting
- Centralized leadership to facilitate collaboration & execution
- Broad stakeholder engagement
- Interagency collaboration
- Broad vision at state (or city) level, with tailoring to individual cities/regions (neighborhoods)

Balanced approach



- Policies in all four major policy categories
- Homeownership vs. rental; Preservation vs new construction
- Affordable housing in resource-rich areas and stronger systems and services in struggling neighborhoods



For more information



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Online guide to local housing policy, developed through the National Community of Practice on Local Housing Policy, a joint project of the NYU Furman Center and Abt Associates

NCSL Base Camp 2023



Nov. 8-9, 2023

NCSL Forecast '24 - Austin



NCSL FORECAST '24
PREPARING FOR LEGISLATIVE SESSIONS

Dec. 4-6, 2023