



# The Community Tool Box

Our Mission

Promoting community health and development by connecting people, ideas and resources

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## Providing Affordable Housing for All

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Main Section

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### What is affordable housing?

### Why should affordable housing be a concern?

### What are the facts about affordable housing?

### What types of affordable housing exist?

### How do affordable housing programs take shape in practice?

### How can we create affordable housing?

This section of the Community Tool Box discusses affordable housing as a community issue. It first offers reasons why we might be concerned about the situation, supplies some current facts, and describes some types of affordable housing that are available. The bulk of the section, though, is meant to be practical -- it lists many specific actions you and other community members can take to help create affordable housing where you live. Examples are provided, and further resources are cited.

### What is affordable housing?

The U.S. Government defines affordable housing as housing that consumes 30 percent or less of a household's income. Using that definition, millions of people in the United States do not have affordable housing; that number is presently growing.

### Why should affordable housing be a concern?

For wealthier and even not-so-wealthy Americans, affordable housing may hardly be a concern at all. Homeowners may not think much about renters. Renters living comfortably may not think much about those barely making ends meet. It's a natural human tendency to pay most attention to issues which are immediate and which affect us personally; affordable housing issues may not qualify on either count. The problems of those without affordable housing may seem far away.

But there are several reasons to be concerned about affordable housing. Primary among these are moral; first among those may be the simple belief that everyone should be able to afford a decent place to live. This may hold especially true in times of prosperity, and when the income gap between rich and poor appears to be increasing. In addition, greater wealth for the majority unavoidably puts upward pressure on housing prices, squeezing those with less income. So when affordable housing does not exist -- and for growing numbers it does not -- then we may feel some moral responsibility to help create it. Occasionally, our moral beliefs become translated into regulations and laws. A community (or government, or other organization) can take steps to stimulate affordable housing, or to mandate or require a certain number of affordable housing units. Then affordable housing has legal justification as well.

There is another reason, though, which touches on different social values. Without affordable housing, our communities may become more uniform. We may lose the opportunity to interact with people who may be in different economic or cultural circumstances, to learn from them and to enjoy their company. Likewise, for our children. Some people may prefer to live in uniform and homogeneous communities; but others feel that something is gained by living in a community which not only supports diversity -- and accordingly, affordable housing -- but also acts to ensure it. The community can become richer, and community life ultimately more satisfying. Affordable housing may indirectly contribute to such richness and satisfaction.

Evidence also links the lack of affordable housing to a variety of negative social outcomes. Substandard housing contributes to childhood health problems, such as asthma, anemia, viral infections, stunted growth, and other health problems, sometimes leading to expensive hospitalizations. Poorly-housed children in these situations are significantly more likely to have behavioral problems and to fall behind housing-stable students in school. Studies also show that when children are forced to move from school to school because their families can't find affordable housing, academic and future success are compromised.

### What are the facts about affordable housing?

Despite recent economic prosperity for many Americans, affordable housing in the United States is scarce and growing scarcer. Some facts are documented in a report titled "Rental Housing Assistance -- The Worsening Crisis," published in 2000 by the U.S. Department of Housing and Urban Development, and in the "Recent Research Results" newsletter from the HUD. According to these documents:

- "Despite continued economic expansion, worst case housing needs have reached an all-time high of 5.4 million families, increasing by 4 percent between 1995 and 1997." [Families with worst case needs are defined as having incomes below 50 percent of the local median, paying more than half of income for rent, or living in severely substandard housing.] "Families with worst case housing needs are working harder than ever."
- "Housing that is affordable to the lowest income Americans continues to shrink." The number of rental units affordable to extremely low-income Americans decreased by 5 percent between 1991 and 1997.
- "The concentration of worst case housing needs among the poorest families continues to rise."
- "Worst case housing needs increased dramatically in minority households during the 1990s."
- "Poor families living in the suburbs most frequently face worst case needs."
- "[Households with worst case needs] represent 5 percent of the Nation's population and a disturbing one-sixth of all U.S. renters. Without Federal, state, or local housing assistance, these renting families face severe financial pressures -- many are merely a paycheck or unexpected medical bill away from homelessness."

Affordable housing, however, is not only a compelling concern of the very poor. One need not be poor at all to realize that housing costs are high, or that the housing choices open to people with low to moderate incomes are often limited at best. The need for affordable housing is a significant concern at several different economic levels.

### What types of affordable housing exist?

People live in a very wide range of housing settings; virtually all these settings can be made affordable. Without going into great detail, some types of affordable housing include:

- Newly built housing developments, in which the entire development is specifically planned to be affordable. (One variety of this type, but not the only one, is government-assisted public housing.) These developments can range from individual houses to apartments to single-room-occupancy facilities.
- Newly built affordable housing units, as part of a mixed-income development. These units can also take the form of individual houses or apartments.
- Existing housing units, renovated or converted from their previous use, so as to become affordable.
- Existing and already-affordable housing units, neither renovated or converted, but which are intentionally maintained and conserved so that they will remain affordable.
- There are also specialized types of affordable housing, such as:

**Co-housing, or congregate housing**, where residents have separate bedrooms, but share common areas such as kitchens or yard spaces.

**Transitional housing**, designed for temporary use by people who are recovering from physical or emotional problems. This type of housing, which may also involve shared space, is often accompanied by support services nearby or on site.

**Categorical housing** -- that is, housing for members of certain social groups. Seniors are one of the most common of these groups, but specialized housing has also been constructed for the disabled, for victims of domestic violence, for people living with AIDS, for grandparents serving as parents, and (lest we forget) college students. If a specific group has particular housing needs, customized housing can be created to meet them.

The financial arrangements for affordable housing can vary as much as the physical housing itself. The financing to build the housing can come from federal, state, or local government, from quasi-public housing corporations or partnerships, from social agencies, or from purely private developers. Banks can supply loans on varied terms. On the other side, residents of affordable

housing units may be partly or fully subsidized by direct government or private subsidies, vouchers, or loans. They may also contribute their own labor or services in return for a reduction in rent.

Some specific funding mechanisms are described within this section. And many combinations of the above financing methods are also possible.

See *Tool #1: The Basics of Affordable Housing in the United States*

## How do affordable housing programs take shape in practice?

Below are just a few cases in point:

### 1. Cooperative housing

"Cooperative" here usually means cooperation between residents and a larger housing organization. An example of a nonprofit cooperative housing development is the Homestead Housing Center (HHC) in St. Paul, Minnesota. HHC develops housing cooperatives for seniors. HHC started 12 new senior housing co-ops in the rural, upper Midwest, often in towns with less than 10,000 people. The co-ops allow seniors to retain the advantages of home ownership (tax deductions and equity accumulation) as well as control over budget and monthly living costs. HHC provides development, design, and organizational services and offers partnering opportunities with local sponsors who provide matching funds for community development.

Another cooperative housing example is the Qumbya Cooperative in the Hyde Park neighborhood of Chicago, Illinois. Qumbya (pronounced like the famous song sung at summer camps in the U.S.) maintains two houses Bowers House (houses 22 people) and Haymarket House (houses 13 people). Members buy a share in the organization, which is returned to them upon leaving the cooperative. Members work on assigned chores, take turns cooking for the house, attend weekly house meetings, and participate in quarterly maintenance chores.

### 2. Community land trust (CLT)

Community land trusts are nonprofit organizations that purchase or otherwise protect land and make it available for community purposes. A successful affordable housing example is the Burlington Community Land Trust (BCLT) in Vermont. This project involved the Sarah Cole House in the "Hill" section of the city, which includes many large 19th century homes built by lumber barons and merchants. The Hill had changed dramatically over the past two decades as old homes were converted to college offices, dorms, fraternity houses, apartments, and rooming houses. The changes brought noise, traffic, lack of parking, and poor maintenance to many of the homes.

The local Community and Economic Development Office encouraged the BCLT to develop and manage a single-room occupancy project to serve homeless, low-income, single women (women at risk of losing their housing). The Sarah Cole House was chosen for the project because of its history as an owner-occupied rooming house. Despite having resident owners, the building had fallen into disrepair. Neighbors first objected to the development as another assault on the neighborhood and protested to the local zoning board. BCLT responded with an appropriate site plan, staffing plan, and house rules. Opposition was dropped and the zoning was approved. After BCLT rehabilitated the house and grounds, area residents expressed satisfaction with the neighborhood improvement.

### 3. Community development corporation (CDC)

Community development corporations are nonprofit multi-purpose economic development organizations which serve primarily low-to-moderate-income people and which commonly become involved in local housing issues. One good example is **Tenants to Homeowners, Inc.** in Lawrence, Kansas. This CDC promotes low-income housing by providing home ownership programs and credit counseling to help people qualify for mortgages. The organization acquires properties to sell to moderate and low-income people and renovate or build homes to sell to people not qualifying for traditional loans. Tenants become homeowners through education, communication, home improvement, and creative financing. (See the interview with the CDC director in Examples for this section.)

An example of a faith-based nonprofit CDC is **Habitat for Humanity International**. Founded in 1976 in Americus, Georgia, Habitat has built or rehabilitated more than 80,000 affordable homes for more than 400,000 people around the world through volunteer labor and donations of money and materials. There are nearly 1,900 Habitat affiliates in 64 countries, including the U.S.

Habitat builds and rehabilitates the houses with the help of homeowner partner families. The houses are sold to families at no profit and financed with no-interest loans. The families provide a down payment and monthly mortgage payments and invest hundreds of hours of their own labor "sweat equity" in building their and other Habitat houses. Habitat doesn't get government funding, but involves government through gifts of land, houses for rehabilitation, and infrastructure for streets, utilities, and administrative expenses.

## How can we create affordable housing?

Creating affordable housing is a challenging task, more challenging than many of the topics we have considered in the Community Tool Box. Three reasons may help explain why:

- **First, creating affordable housing goes beyond the communication, organizational, and interpersonal skills we have emphasized in this web site.** Those skills may be relevant here, but so are others. Affordable housing frequently means that new homes are going to be built. So while the affordable housing advocate may need to be excellent at human relations, that advocate may sometimes also need to have at least a passing familiarity with zoning, sewage systems, rocky foundations, proper insulation, and the high cost of lumber.
- **Second, creating affordable housing often involves multiple constituencies and multiple social institutions.** More is required than simply persuading or satisfying a few people or groups, or even the public at large. Affordable housing activities may need advocates to set the process in motion; developers to acquire the land; architects to design the homes; banks to finance them; local governments to approve the plans; businesses to sell the building materials; construction workers to do the actual building; building inspectors to monitor the construction; agents to sell the homes; and buyers to buy them. To understate the case, the creation of actual affordable housing units takes more than the efforts of a citizen or single group of citizens; it requires highly skilled coordination among many people.
- **And third, many of these constituencies have financial as well as ideological interests.** The developers, landlords, bankers, businesses, and construction workers all need some income from their work, enough income to justify their time spent. While community workers can sometimes serve without pay, builders and bankers can rarely do so. Their legitimate financial needs must be satisfied, just as the needs of the buyer or renter of the finished home.

So creating affordable housing is challenging indeed. It is a complex and multilevel problem. But the advantage of multilevel problems is that there are multilevel solutions. The flip side of the challenge is that there are many entry points into the problem, many actions to create affordable housing that one can take. The bigger the elephant, the more ways to mount it and lead it in your direction.

### Action steps to help create affordable housing

The material below focuses on actions to help create affordable housing that can be taken on different levels and by different groups. They represent a variety of ideas that have been successful in other communities, and could be successful in yours.

*We emphasize that there are many strategies for creating affordable housing, many pathways that can be taken. As just one example, in researching this section we used Google to find the phrase "creating affordable housing" and got 11.5 million hits. We cannot begin to describe all of them here, nor all the housing possibilities; but we can highlight the main action categories.*

The task for you as reader is to select those actions that are most appropriate for your own community setting, for your group, and for you personally. There is no one best answer here. Your own answer will depend upon your own time availability, as well as the other resources available in your community.

**Most or all of these actions will also draw upon the application of skills described in other chapters and sections of the Community Tool Box, most notably in Part I Organizing for Effective Advocacy. See also Related Topics for this section.**

But many of these actions, especially those on a citizen level, can be taken by people without specific expertise in the housing field. Expertise helps; but an essential co-requisite is caring about creating affordable housing in one's community, and being willing to put in the effort to help make it happen.

The actions below are itemized and arranged by category (citizen, local government, social agency, etc.), depending upon who might be most likely to be the primary initiator. Certain actions might be most appropriate for a citizen to take, others for local government or nongovernmental organizations. But we stress that these distinctions, while generally accurate, are loose and approximate. Some duplication and overlap exist. Many of the actions below can be taken by many different kinds of actors, and the listing below is simply a rough guide.

Finally, in addition to possible actions, there are many affordable housing success stories that could be cited, probably many thousands. We include a few varied examples below. For more examples and sources, and more details on how the suggested action steps might work in practice, see Resources at the end of this section.

### 99 Actions You Can Take As a Citizen to Help Provide Affordable Housing

*Getting started:*

1. Study the types of affordable housing that are possible, and also successful examples of affordable housing programs in other communities. Such advance study will be helpful to you in knowing your options and shaping your thinking about what might work best where you live. (See Resources.)
2. Get involved with an affordable housing group in your own community.
3. If no such group exists, start one yourself. Get together with people you know who care about the issue; recruit others (see

**Chapter 6: Promoting Interest in Community Issues and Chapter 7: Encouraging Involvement in Community Work); make plans (see Chapter 8: Developing a Strategic Plan); and take action.**

4. Join forces with other groups in your community -- or representatives of those groups -- whose work is related to affordable housing issues. Use their support and expertise to help you advance your cause. These groups might include:
- Affirmative action committees
  - Community development corporations (especially)
  - Fair housing committees
  - Human rights committees
  - Minority group organizations
  - Other anti-poverty or advocacy groups in your home area.

Working together with other people, even a few others, will strengthen your effectiveness and sustain your own energy. Once you have connected with the right people, you and your group might consider advocating for specific local affordable housing actions. Following are some examples.

*More action steps:*

5. Survey or meet with prospective residents of affordable housing in your community to learn more about their particular housing needs and preferences. (First, seek out and read any relevant prior studies.) Affordable housing should conform to resident needs and preferences; to ensure that, it's important to know what they are.
6. Survey or meet with neighbors or neighborhood groups to learn their views about what affordable housing might work best in their neighborhood, and how they might support it.
7. Consult with housing experts to learn their opinions. Those opinions need not always be followed; but they should generally be considered.
8. Set affordable housing targets for your community -- for example, that X% of the housing units in your community should be affordable. Then challenge other sectors of the community (e.g., government, agencies, bankers) to meet those targets.
9. Encourage or require developers of new housing to set aside a fixed percentage of units as affordable housing units.
10. Encourage or require such developers to contribute fees (sometimes known as "linkage fees") to a local affordable housing fund.
11. Influence local government to provide grants and loans for affordable housing construction.
12. Change local zoning regulations so as to facilitate affordable housing construction or renovation. These changes might include allowing higher housing densities in certain areas, or allowing residential construction in areas previously designated for other functions.
13. Put informal or formal pressure on developers and building owners to keep rents of new housing affordable for the majority. While developers are entitled to fair profits for their work, profits should not be so high as to exclude all but the wealthier residents, or wealthy newcomers, from living there.
14. Support the creation of group homes and similar facilities in residential neighborhoods when they are appropriately sited.

Contrary to what some believe, not all neighborhoods reflexively oppose group homes. On a residential street in one suburban neighborhood, the Salvation Army proposed opening a 20-unit single-room-occupancy facility for former alcohol and drug abusers. Initial neighborhood reaction was mixed; but the Salvation Army worked closely with a neighborhood advisory committee and heeded its advice. The facility opened without organized opposition, and has been problem-free ever since.

Affordable housing actions do not always focus on new construction. Sometimes the emphasis needs to be on keeping existing housing units affordable, both for current and future inhabitants.

*Action steps for keeping existing housing affordable:*

15. Consider rent control provisions or ordinances for your community.

16. Ensure that residential property taxes are reasonable in relation to other forms of available local taxation.
17. Educate current renters in tenants rights, so that they will not be subject to unfair rent increases, nor other tactics that might lead to their displacement.
18. Form tenants organizations, where tenants can advocate directly and freely for their own interests.
19. Make sure that both existing and planned affordable housing opportunities are well publicized and reach the right people.

To make these changes, community support will always be desired, and local government help may often be required. See **Chapter 30: Principles of Advocacy** and **Chapter 6: Promoting Interest in Community Issues** for useful reviews of some ways to get the support you need and the results you want.

*Action steps for local government:*

20. In general: Stimulate local government to adopt an affordable housing policy for the town, and/or to set up its own affordable housing committee.
21. More specifically: Undertake campaigns to persuade local government officials to act upon the affordable housing initiatives you are supporting
22. Less directly: Encourage local government to adopt (a) formal human rights policies, and also (b) written policies which encourage diversity within the town, including members of all races, ethnic groups, and social classes. In some cases, these policies can have legal validity and be written into the town's by-laws. (See also local government actions just following.)
23. And also note: If local government is insufficiently responsive to your affordable housing initiatives, you may choose to run for local government office yourself.

*Action step for building it yourself:*

24. In addition, it's also possible to get involved in private efforts to build homes directly. Members of Habitat for Humanity, a worldwide organization (see prior example), often serve as volunteer construction workers. There are Habitat chapters in many communities, possibly including your own. A similar national organization, emphasizing youth involvement, is YouthBuild. Church groups frequently get involved in these efforts as well; so do AmeriCorps volunteers, or student interns. In other programs, neighborhood residents themselves help their neighbors with home repairs. (See Resources for more contact information.)

*Action steps as a local government official:*

25. Create a local Affordable Housing Committee, with the goal of creating more affordable housing in your community. Ideally, this committee should have (a) paid town-funded staffing; (b) a realistic budget; (c) representation from a wide variety of community members (including low-income community members); and (d) clear affordable housing targets and goals that are regularly reviewed and adjusted.
26. Advocate for and facilitate passage of local legislation mandating (for example) developer fees for a local affordable housing fund, affordable housing funding set -asides, inclusionary zoning changes, and other actions previously mentioned. (See items 9, 10, and 12.)
27. Consider creating a real estate tax increment fund. (This refers to situations where new development in a community increases overall property values, and therefore property tax revenues. Some or all of the increase can be earmarked for affordable housing.)
28. Advocate for and help secure voter approval of bonds to pay for local affordable housing projects.
29. Consider the imposition or redirection of other taxes, fees, or interest payments that could go to support affordable housing. Following are some possibilities.

**Taxes, Fees, or Interest Payments That Can Be Redirected To Support Affordable Housing**

Real estate transfer taxes

Taxes on windfall profits from real estate sales, such as those resulting from the sale of previously price-controlled units

- Local sales taxes
- Taxes on business gross receipts
- Hotel taxes

- Restaurant taxes
- Utility taxes
- Document recording fees
- Fees in cases where previously affordable housing is demolished, or converted into less affordable units.
- Fees paid by developers to increase the density of their projects
- Interest on application deposits
- Interest from real estate escrow amounts
- Interest on title escrow amounts
- Interest from tenant security deposits
- Interest and penalties paid on delinquent property taxes

Source: *Community Change* [magazine], Center for Community Change, Issue 16, Summer 1994, p. 9.

30. Provide local tax credits and tax incentives for affordable housing development where possible.
31. For current residents, provide fair and well-publicized abatement procedures for those having difficulty paying property taxes.
32. Create volunteer programs where citizens may provide community service in exchange for a certain amount of property tax reduction.

**Several communities in Massachusetts operate these programs, which are usually designed for senior citizens. In one model, town government offices make service jobs open to retired seniors, who can earn up to a \$500 tax rebate. Early reports on these programs have been highly favorable.**

33. Advocate for and facilitate passage of local anti-discrimination laws and other human rights standards that will create a climate more favorable to affordable housing construction and preservation. When such laws and standards already exist, strengthen them as might be needed, and/or create or monitor structures to ensure appropriate enforcement.
34. In larger communities, begin a program through which abandoned properties, and also properties the city acquires through bankruptcy or foreclosure, are converted into affordable housing units.
35. In rare cases, consider using the legal ability a community might have to take land by eminent domain; in such cases, local government or its designee can acquire targeted land from previous owners for specified purposes and compensate these owners at fair market value.

The Dudley Street Neighborhood Initiative is a major case in point. Operating in one of the poorest neighborhoods in Boston, the Initiative persuaded the City to use its eminent domain powers to acquire a sizable amount of neighborhood acreage, which was then in fact converted into affordable housing units. (See Resources.)

36. Vigorously pursue available opportunities for state and federal grants for affordable housing programs, in conjunction with local social service agencies and housing partnerships.

*Actions steps for a social service agency:*

Some communities already have agencies or other organizations whose primary mission is the creation and maintenance of affordable housing. And therefore:

37. When those agencies exist, guide your own agency in working together with them and offering specific support as feasible.
38. When such groups don't exist, join other agencies in your community to create a coalition that will advocate for the construction and maintenance of affordable housing. This coalition, or partnership, can have a more powerful impact than

any one agency acting alone; it can also lead to the formation of a new organization specifically dedicated to affordable housing issues.

39. Take the lead in initiating new affordable housing programs. These can vary widely, ranging all the way from direct land purchase and construction to building purchase and maintenance, and can also include some of the examples mentioned before: cooperative housing, land trusts, community development corporations, co-housing, transitional housing, categorical housing, single-room-occupancy housing, sweat equity programs, and many others.

Agencies can also take affordable housing actions over and above new housing development. For example, as an agency you can:

1. Create a centralized listing of affordable housing opportunities in your area. This listing should be accurate, up-to-date, and as comprehensive as possible; ideally, it should be computerized. Such a listing can best be created both through inter-agency collaboration and through cooperation with local realtors and landlords.
2. Contact and recontact such sources vigorously to locate affordable housing units and to update your list.
3. Publicize that listing extensively, and make it available in both electronic and print copies at multiple sites, especially those that would naturally attract prospective affordable housing tenants.
4. Create a parallel listing of prospective tenants who are interested in affordable housing opportunities when they arise. Prospective tenants should be able to register to get on the list without charge.
5. Publicize that listing to real estate offices, rental agencies, and landlords associations throughout the community.
6. Monitor and evaluate the consequences and overall effectiveness of affordable housing referrals made or received.
7. Ensure that current tenants of affordable housing units know their rights, such as protection from unlawful rent increases, threats, pressures, or evictions. (See item 17.)
8. Publicize information relating to those rights. This can include door-to-door distribution of flyers, creation and distribution of more detailed manuals, and provision of well-advertised information, referral, and direct assistance services for both current and prospective residents with housing problems or concerns.
9. Provide educational sessions and programs for tenants on affordable housing issues.
10. Make those sessions and programs available to the entire community.
11. Sponsor forums and workshops on those issues for community leaders.
12. Offer technical support and consultation to tenants organizations. (See also item 18 on formation of such organizations.)
13. Advocate for local rent control and other local protective legislation when that might be called for.
14. Design and implement homeowner assistance programs, including counseling and training, for prospective buyers of affordable housing properties.
15. Provide support services to complement affordable housing already in place.

Residents of affordable housing units can often benefit from other services such as job training, personal counseling, health services, child care, or transportation as well. If those supportive services are available and easily accessible -- sometimes they can be delivered right on site -- residents are more likely to be more satisfied with the living situations, to utilize their abilities more fully, and to make greater community contributions. (Note also that such services need not be delivered by an agency directly; sometimes, neighbors can provide support services themselves, in particular if they are trained to do so.)

*Action steps for a religious institution:*

Churches, synagogues, or temples can act on affordable housing issues -- and have so acted -- much in the same way as social service agencies. They generally begin with two strong advantages: nonprofit status and community credibility, so, at the least they can:

16. Become involved with affordable housing opportunities for their parishioners, and for the larger community.
17. Join the local housing partnership, if there is one; or, alternatively, join together with other churches in their community to form an inter-faith housing partnership. (See also previous examples under social service agencies.)

The Greater Boston Interfaith Organization, a coalition of 87 religious groups, recently started a petition campaign to get 100,000 signatures to convince the state legislature to create a \$65 million housing trust fund. While the outcome is as yet unknown, this type of action is an example of what a mobilized faith-based community can undertake.

*Action steps as a community planner:*

Many community planners, both urban and suburban, are incorporating new urbanist planning principles into their work. (See Resources.) These principles emphasize mixed use, higher densities, common public spaces, and less reliance on automobiles. Such principles may easily be adapted for affordable housing creation. As examples, planners can:

18. Design some previously undeveloped areas of the community for mixed residential and commercial use. (This may allow for more residential units compared to areas designated for commercial use alone.)
19. Design or re-design some residential areas to have greater-than-accustomed housing densities (e.g., "cluster design").

*Action steps as a banker or lender:*

20. Make, publicize, and uphold anti-redlining and anti-discrimination commitments -- i.e., commitments not to deny mortgages, loans, and other banking services to potential residents of affordable housing, nor to discriminate in lending on the basis of race, ethnicity, disability, or neighborhood.
21. Provide loans to affordable housing developments at favored rates.
22. Consider adopting policies to turn over foreclosed properties to housing organizations for affordable housing use.
23. Train other community members in financial skills and practices that will be most likely to result in local affordable housing production.

*Action steps as a landlord or building manager:*

24. Set aside a percentage of housing units you own or control to be affordable housing units.
25. Monitor rents in affordable housing units you may already own or control, with a guideline that rent increases should not exceed the rate of inflation.

*Action steps as a real estate agent:*

26. Make a commitment to advocate for the construction and preservation of affordable housing units in your community.
27. Make a similar commitment to seeking out any affordable housing units in your community and publicizing their availability to all segments of the community that might need them.
28. Devote a dedicated percentage of your agency's time to both of the above actions.
29. Persuade developers in your area to set aside affordable housing units, and to keep rents in existing units affordable.
30. Join forces with other real estate agencies in your community to take similar actions to those above.
31. Work together with local government and other local agencies or housing partnerships to do the same.

*Action steps as a business owner or manager:*

Do businesses have a stake in affordable housing for the community? Yes, they do. A prosperous business needs good employees. New employees must be attracted to the community, and to be attracted they of course must be able to afford living there. Similarly, current employees who are renters must be able to afford to stay where they are, and not be squeezed out of their homes by rising rents.

Wise business owners will therefore take steps to ensure the preservation of affordable housing in the community, by supporting some of the actions listed above. More specifically, a business owner or manager can also:

32. Become involved in affordable housing partnerships that may exist.
33. Encourage other businesses to do the same.
34. Advocate for tax advantages for new affordable housing construction. (See Item 30.)
35. Help in the financing of new affordable housing opportunities.
36. Build affordable housing directly.

Example: In vacation areas, businesses needing summer workers have frequently had difficulty attracting them because of high rents. To solve the problem, some businesses have constructed the necessary housing themselves, and have also kept it open and available year-round.

*Action step for a union leader:*

37. Consider offering a percentage of union member time below the prevailing wage rate for affordable housing construction.

*Action steps for a foundation official or other granting agency:*

38. Consider increasing the degree to which your foundation or granting agency is involved in affordable housing concerns.
39. Work together with other leaders in your area to stimulate promising new affordable housing approaches.
40. Make direct awards for innovative affordable housing programs in your grant -making area. (These may be loans, matching grants, or 100% grants, as appropriate.)

*Action steps on the state level:*

For state governments:

41. Place affordable housing high on the list of state government priorities and policy initiatives.
42. Allocate sufficient funds in the state budget to subsidize affordable housing for state residents.
43. Allocate sufficient funds in the state budget to subsidize promising affordable housing initiatives.
44. Make grants to selected affordable housing initiatives.
45. Provide low-cost or no-cost loans for such initiatives.
46. Base local aid allocation upon the amount or percentage of new local affordable housing units, or upon related indicators of progress, in a given community.
47. Pass anti-snob zoning legislation, providing for possible state override of local zoning ordinances in communities where the affordable housing supply falls below a designated percentage.
48. Actively pursue federal housing grant programs for affordable housing initiatives.
49. Provide tax credits and tax incentives for new affordable housing construction, or other affordable housing set-asides meeting designated standards.
50. Allow state income tax credits for individual contributions to affordable housing programs.
51. Allow voluntary affordable housing tax check-offs on state income tax forms.
52. Pass legislation to stimulate or implement regarding affordable housing initiatives previously mentioned -- e.g., affordable housing requirements in new developments, requiring developer fees for affordable housing, changing zoning requirements, rent control. (See items 9, 10, 12, and 15.)
53. Establish a statewide toll-free telephone number (or numbers) to provide information on affordable housing programs -- including state and federal affordable housing initiatives -- and also to respond to citizen affordable housing concerns.

54. Maintain state taxation policies which do not disproportionately rely on property taxes, thus providing greater affordability for prospective new homebuyers, and also ensuring that retired people can continue to live in their own homes.
55. More specifically: Pass "circuit-breaker" legislation, capping the percentage of income a resident must pay for property taxes.

*For other statewide groups:*

56. Work together with foundations and corporations to form statewide affordable housing partnerships.
57. Work with local housing partnerships and other local initiatives to support affordable housing initiatives in individual communities.
58. Create a statewide organization of local housing partnerships, community development corporations, and/or local affordable housing initiatives. These organizations can engage in advocacy, information sharing, and collaborative program development.
59. Provide technical assistance and consultation to such initiatives.

*On the federal level:*

While all the participants previously mentioned can do much to create affordable housing, the federal role in stimulating housing development is paramount. The U.S. government, primarily through the Department of Housing and Urban Development (HUD) spends billions of dollars on affordable housing programs each year. No other group or organization in the United States, and perhaps worldwide, has equivalent resources at its disposal.

The federal budget cutbacks of the mid-1990s reduced HUD's relative impact. Only in the past several years has its budgetary authority resumed increases more proportional to need. Though the role of the federal government in housing assistance can be debated, many would argue that the federal contribution is inadequate as it is. Space does not permit full discussion of this particular point; but we might note HUD's own position in its 2000 report on rental housing assistance previously cited:

*"A bold expansion in Federal assistance for affordable housing is needed to help fulfill the Nation's commitment to its neediest citizens for a decent and affordable home in a suitable living environment." (p. 53)*

Which suggest that citizens and all the other groups mentioned can:

60. Advocate for appropriate federal housing action.

## In Summary

Many action steps have been suggested in this Community Tool Box section; at least some of them will work where you live. But in bringing this section to a close, what are some of the key factors to remember that are linked to affordable housing success? We can highlight a few:

**1. Money.** Some funding to build, renovate, maintain, and finance affordable housing is essential. The federal government is and will presumably remain the largest single funding source. But state and local governments, foundations, businesses, and bankers, as creators or holders of wealth, also have significant roles to play in generating, leveraging, and targeting needed dollars.

Sometimes creative thinking about funding sources can yield positive results. As the Center for Community Change notes: "People are often surprised there is something they can tap into. We can usually come up with something -- funds that no one knew about. The key is finding a new source of money, not stealing a source." (See Resources; quote from p. 9.)

**2. Creativity.** Creative thought deserves a paragraph of its own. For while money is a key factor, creativity comes into play in generating and using money most effectively. It takes creativity to think of and implement an affordable housing project specifically for child care providers, just for example, or to partially subsidize inner-city loft space to lure artists downtown, or to develop affordable housing in trailer parks -- all of which are real projects in place. Creativity also means finding new uses for assets a community already has -- abandoned motels, surplus warehouse space, empty vacation cabins, whatever real estate a community has to offer. If you and your colleagues can sit down and think about creative housing options in your own community, you will have taken a large step forward.

3. **Partnership.** As we have mentioned, affordable housing is a complex issue, typically requiring the coordinated efforts of many actors. This coordination can best come about through formal or informal partnership among those concerned. In such partnerships, the members plan, act, evaluate, and share successes together. From a recent article: "... the best affordable housing being created today involves partnerships between community organizations, local governments, corporate and lending institutions, and the philanthropic and religious communities." In other words, partnerships generally are more effective than individuals or groups acting alone. (quote from Faith Schantz, Home Makers, The Neighborhood Works, October/November, 1995, p. 17.)

4. **Commitment.** But finally, all the money, creativity, and partnership one could imagine will count for little if the commitment to create affordable housing is not in ample supply. As in most successful community actions, commitment is a precondition for success. And as in most life situations, commitment comes from within. This applies to all the groups we have discussed in this section -- citizens, local officials, social service agencies, churches, planners, bankers, lenders, landlords, Realtors, businesses, unions, foundations, and state representatives, as well as others. All have responsibility for finding the needed commitment and the accompanying political will, within themselves.

When that commitment has been located and activated, and when it is joined with necessary funding, and in creative partnership, the prospects of ensuring affordable housing for all people will be that much brighter.

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### Resources

Resources on affordable housing are plentiful. Reviewing them fully would keep a diligent student busy for months or even years. However, the resources below should provide a start. The web sites in particular here (most of them with links, and many of them with searchable databases) are rich sources of further information.

#### *Print Resources*

California Department of Developmental Services. (no date cited) [Affordable housing guide: Developing affordable rental housing for advocates](#). Sacramento, CA: Author.

Community Change (1994). Issue 16, (Summer). This issue of a magazine published by the Center for Community Change in Washington, DC focuses on affordable housing, with special attention to the role of state and local governments and to the creation of housing trust funds. Many helpful references.

Doibeare, C. N. (1999). [Out of reach: The gap between housing costs and income of poor people in the United States](#). Washington, DC: National Low Income Housing Coalition. *An annual publication, emphasizing statistical data. Also available on the Coalition's Web site (see below).*

**Fannie Mae Foundation.** Maxwell awards of excellence program [annual volume]. Washington, DC. *This foundation, a private company, specializes in affordable housing and new housing opportunities. Each year, it solicits nominations for awards; in the annual volumes cited above, it provides brief case studies of the previous year's award winners and finalists.*

Journal of real estate finance and economics, v 6, 1993, pp. 5-24.

Kunstler, J. H. (1996). [Home from nowhere: Remaking our everyday world for the twenty-first century](#). New York: Simon & Schuster. Gives an exposition of new urbanist planning principles.

Medoff, P., & Sklar, H. (1994). [Streets of hope: The fall and rise of an urban neighborhood](#). Boston: South End Press. Details an eminent domain land taking to build affordable housing; see also Holding Ground, a powerful award-winning video on this topic.

Norwood, K., & Smith, K. (1995). [Rebuilding community in America: Housing for ecological living, personal empowerment, and the new extended family](#). Berkeley, CA: Shared Living Resource Center. *An emphasis on shared housing and housing design, with many drawings and illustrations.*

Recent Research Results. (May, 2000). [a newsletter from HUD User], U.S. Department of Housing and Urban Development, pp. 1-2.

Schubert, M. (1999). [More than bricks and mortar: Housing that builds community](#). Charlottesville, VA: Pew Partnership. A detailed case study of comprehensive housing strategies in Santa Fe, New Mexico, with an analysis of what made them successful.

U.S. Department of Housing and Urban Development (1996). Communities that work: Addressing the urban challenge. Washington, DC. Gives 25 profiles of award-winning affordable housing projects from across the country, with a useful integrating introduction.

U.S. Department of Housing and Urban Development (2000). Rental Housing Assistance the worsening crisis: A report to Congress on worst case housing needs. Washington, DC. Details the current affordable housing situation, especially for the very poor. Also provides a good overview of federal housing programs.

U.S. Department of Housing and Urban Development (2000). The state of the cities 2000. Washington, DC: Author. An annual report summarizing general U.S. city status and trends, including some detail on affordable housing, plus many general statistics.

#### *Organizational Resources and Web Sites*

(Listings with especially comprehensive Web sites are starred.)

**Center for Community Change**, 1000 Wisconsin Avenue, NW, Washington, DC 20007, (202) 342-0567. [West Coast office: 160 Sansom Street, 7th Floor, San Francisco, CA 94104, (415) 982-0346.] Includes excellent links to other housing sites.

**Center on Budget and Policy Priorities**, 820 First Street, NE, Suite 510, Washington, DC 20002, (202) 408-1080. Researches government programs for low- and moderate-income people; lists publications on low-income housing; offers a list-serve for such discussions.

#### **Cooperative Movement.**

#### **Department of Agriculture, Rural Development, Rural Housing Service.**

**Enterprise Foundation**. 10227 Wincopin Circle, Suite 500, Columbia, MD 21044-3400, (410) 964-1230. Also publishes a free print periodical, *Enterprise Quarterly*, featuring articles on housing and community development.

**Habitat for Humanity International**, 121 Habitat Street, Americus, GA 31709, (800) HABITAT. Builds homes through volunteer labor.

**Housing Assistance Council**, 1025 Vermont Avenue, NW, Suite 606, Washington, DC 20005, (202) 842-8600. Specializes in rural housing.

**HUD USER**. (800) 245-2691. This is HUD's publications arm. The toll-free number provides unusual personalized assistance. The Web page alone turns up over 3000 documents for "how to create affordable housing." Some of these publications, such as the report on Rental Housing Assistance cited above, are free. To stay current on HUD's publications, request a free subscription to its monthly print newsletter, *Recent Research Reports*.

#### **Local Initiatives Support Corporation.**

#### **Manufactured Housing Global Network.**

Meeting America's Housing Needs. **National Low Income Housing Coalition.**

**National Housing Institute**, 430 Main Street, Suite 311, Orange, NJ 07050, (973) 678-9060. *Emphasis on community development and affordable housing issues; publishes Shelterforce, a bi-monthly print magazine for community builders, selections from which are on-line.*

**National Low Income Housing Coalition**. 1012 14th Street, NW, Suite 610, Washington, DC 20005. (202) 662-1530. *Perhaps the primary nongovernmental organization devoted to this issue. Has a very extensive Web site, including an Advocacy Guide, a collection of detailed papers on Meeting America's Housing Needs, Frequently Asked Housing Questions, and many references and links to other housing organizations.*

#### **Ohio Housing Finance Agency.**

#### **Pittsburgh Partnership for Neighborhood Development.**

#### **Planners Web: Planning Commissioners Journal, Community Land Trust.**

#### **Pratt Institute Center for Community and Environmental Development.**

#### **University of Wisconsin Center for Cooperatives.**

**U.S. Department of Housing and Urban Development (HUD)**, 451 Seventh Street, SW, Washington, DC 20410, (202) 401-0398, (800) 569-4287. HUD's Web site is truly enormous. Among its many highlights: (a) a list of current HUD grant programs [also called a "superNOFA"; phone information also available at (800) HUD-8929], and (b) a compilation of housing "best practices," with profiles of previous award-winning programs.

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