



Housing Market Trends: What They Mean for Policymakers

State and local governments are facing a pivotal moment in the landscape of affordable housing. A convergence of financial pressures, rising operational costs, and evolving housing delivery models is reshaping the terrain for affordable housing providers nationwide. Properties financed in the past decade are approaching loan maturity while operating margins are tightening due to escalating insurance premiums, property taxes, and construction costs. Nonetheless, there are several approaches state and local governments and policymakers can consider to preserve affordability, expand access, and build resilient housing systems.

Planning & Policy

- **Rethink policy and zoning laws** to allow duplexes, triplexes, and accessory dwelling units in more neighborhoods.
- **Streamline permitting processes** to reduce time and fees for affordable developments.
- **Benchmark energy and maintenance expenses** across housing property portfolios to identify outliers and prioritize upgrades, such as efficient heating, ventilation, and air conditioning systems, that reduce long-term operating costs.

Incentives & Funding

- **Incentivize developers** to include affordable units in new buildings or single-family developments through inclusionary zoning or offer density bonuses in exchange for community benefits.
- **Create or strengthen affordable housing trust funds** to help build or preserve affordable homes. These are often funded by municipal bonds, small taxes, or fees.

Community-Based Solutions

- **Support community land trusts**, where land is owned by a nonprofit and homes remain affordable for generations.
- **Protect existing affordable housing** through rent stabilization, affirmative defense, and relocation assistance. This can help preserve these homes and keep residents housed.
- **Cross-sector partnerships** are unlocking new funding sources. Health systems, workforce agencies, transportation agencies and education providers increasingly recognize housing as a platform for improved essential services and community outcomes.

Looking Ahead

- Congress is currently considering the bipartisan R.O.A.D to Housing Act, which aims to expand housing supply, reduce regulatory barriers, and strengthen rental assistance programs. If passed, this legislation could mark a significant turning point in addressing the housing crisis nationwide.



As housing authorities and local governments navigate refinancing challenges, rising costs, and shifting delivery models, a strategic and resilient approach remains essential. By considering policy and planning levers and exploring new delivery models, local governments can support a broader range of housing solutions that respond to community needs.

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