Middle-Income Housing Programs

A National Scan

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about

HousingForward Virginia

HousingForward Virginia (HFV) is a non-partisan, non-profit research and policy organization focused on housing in the Commonwealth of Virginia. Through our communications, education, research, and facilitation, we help leaders better understand the importance of safe, stable, and affordable housing to vibrant, equitable communities.

Virginia Housing

Virginia Housing is Virginia's state housing finance agency. It is a self-supporting organization created by the Commonwealth of Virginia in 1972 to help Virginians attain quality affordable housing. Mortgages are funded by bonds issued by Virginia Housing, not by taxpayer dollars, and are available for homebuyers and developers of quality rental housing. The organization offers free homeownership classes, and helps people with disabilities and the elderly make their homes more livable. Virginia Housing also works with lenders, developers, local governments, and community service organizations to expand affordable housing opportunities.

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introduction

The nationwide housing supply-demand imbalance has brought housing affordability to the forefront of policy discussions. While housing subsidy programs have traditionally focused on housing that is affordable to households making 80% of the Area Median Income (AMI) or less, recent market changes have expanded this concern to middle-income households (80% to 120% AMI).

In recent years, middle-income housing programs and policies have emerged at the state and local levels. These programs have been explicit in their purpose of addressing the needs of households not served by existing federal programs. The growing count of policies and programs targeting renters and homebuyers above 80% AMI speaks to the widespread affordability challenges climbing the income ladder. These challenges have elevated the intersection of housing and economic development as recruitment and retention of employees has served as an obstacle to industry attraction. A committee of executives convened by Illinois Governor JB Pritzker noted in a fall 2024 report [PDF], "Ensuring the availability of housing at price points that are accessible to a range of income tiers is critical for businesses to attract and retain talent, yet today, it remains a pain point and possible barrier to growth."

In many Virginia regions, housing supply has not kept pace with employment growth. Regions in neighboring and competitor states, such as the Sun Belt, outpace Virginia's housing production to complement a growing workforce. Several Sun Belt states have implemented middle-income housing programs, but it is difficult to measure the impact or success of such recently implemented programs.

Virginia Governor Glenn Youngkin's Executive Order 42 [PDF] (November 2024) directs the Commonwealth's economic development and housing authorities and the Department of Housing and Community Development to align their programs that serve middle-income households where possible. Illinois Governor Pritzker's December 2024 Executive Order likewise creates opportunities for interagency efforts at the state level.

This report investigates the variety of middle-income housing programs throughout the nation to identify what may emerge as common or best practices. The report includes additional focus on neighbor states, competitor states, and high housing production regions inside those states.

national survey

To date, there have been a handful of research studies on the prevalence of middle-income housing programs and their implications in the United States. Just this year, the Joint Center for Housing Studies of Harvard University (JCHS) conducted an examination of middle-income housing programs called "Subsidizing the Middle: Policies, Tradeoffs, and Costs of Addressing Middle-Income Affordability Challenges." In their working paper, the JCHS focused on "eleven state and local programs that are explicitly motivated by middle-income housing needs and which provide a direct (grants, loans, or donation of public land) or indirect (property tax exemption or government guarantee of construction loans, for example) public subsidy."

In Fall 2023, the San Francisco Bay Area Planning and Urban Research Association (SPUR) conducted a national survey of middle-income housing called "Housing the Middle," where they identified over 40 programs at state and local levels. With their survey and a case study focusing on programs in three states, they identified key takeaways regarding middle-income housing programs.

HFV's survey of national programs expands on these previous studies as increased attention on middle-income housing challenges continues to be at the center of national and state-level conversations. HFV conducted an internet search of middle-income housing programs across all 50 states. This scan focused on only statewide initiatives to address housing needs with a focus was on programs with income limits either outside the range of federal programs or programs explicitly stated as addressing housing for a specific or general workforce. Explicit policies or legislative acts to address middle-income housing that do not involve direct or indirect subsidy were also included. For example, this included state mandates that compel local jurisdictions to approve residential development so long as it meets income requirements.

In total, there were 58 identified programs across 34 states, including three programs in Virginia. All programs were proven strategies that had been implemented to address housing affordability for households earning 80% AMI or less. This includes homebuyer assistance, developer financing, and even public enterprises.

See Appendix A for the survey.

national best practices

The rise of middle-income housing challenges across the nation has led to an increase in the number of initiatives to address those challenges. Many of these programs and policies have been implemented only in the last decade. Therefore, evidence-based best practices are few and far between. As SPUR notes in their “Housing the Middle” research paper:

It can be difficult to determine how much of the middle-income housing development spurred by middle-income housing programs would have occurred even without the programs’ incentives. Additionally, because many of the programs described above are relatively young, it can be challenging to determine their long-term efficacy.[1]

Many states have joined the movement to address the increasing affordability challenges of middle-income renters, as well as potential homeowners. There are several common strategies utilized at the state-level. Most programs are intended to address supply challenges by making it more financially feasible to deliver lower cost housing, especially in rural areas. Other programs are seeking to ensure public service workers can attain homeownership in the communities they work in.

housing development math

In most U.S. housing markets today, it's extremely challenging to develop both market rate and affordable housing. Development costs, including land, materials, and labor, have risen sharply in recent years. These increases mean the rents or sales prices needed just to cover construction costs often exceed what many households in America can afford.

A typical multifamily development requires substantial upfront capital and must generate enough revenue to cover not only construction costs, but also ongoing maintenance, property taxes, and debt service. This financial reality creates a "floor" on rents that typically starts around 100-120% AMI in most markets. Developing housing below this floor is nearly impossible without some type of public subsidy, which can sometimes come with a cost itself (*e.g.*, regulatory requirements, compliance monitoring, etc.).

Rural areas face additional hurdles. Lower rents and property values make it harder to offset development costs, while smaller project sizes mean less efficiency in construction. Limited access to construction labor and materials in rural areas can also make relative development costs higher than urban locations, further challenging affordability without significant subsidies.

The following provides a description of the common types of middle-income housing strategies that have been and are being implemented across the country. Many of these strategies are being implemented in addition to lower-income housing programs, often representing an overall increased financial investment in housing development at the state-level.

1) Ozer-Bearson, Rachel. (2023). *Housing the Middle: A national survey of programs to encourage middle-income housing development.* San Francisco Bay Area Planning and Urban Research Association (SPUR). October 2023. Retrieved from: https://www.spur.org/publications/research/2023-10-26/housing-middle.

To provide useful guidance to policymakers, HFV has ranked each strategy based on a general assessment of each strategy's perceived impact and effort. The rankings are based on a simple framework and a more in-depth assessment of implementation and impact of each strategy could be undertaken in the future. For the purposes of this assessment, impact and effort can be arranged to create an evaluation matrix, like the example shown below (Fig. 1). Below the policy evaluation matrix, you will find identified middle-income housing program best practices and HFV's evaluation of each practice (Table 1).

Fig. 1) Policy Evaluation Matrix

	Low Effort	*High effort*
High Impact	**Easy wins**	**Strategic priorities**
Low impact	**Fill-ins**	**Thankless tasks**

Table 1) Middle-Income Housing Program Best Practices

Practice	Evaluation
Homebuyer Assistance	Fill-in
Target Occupations	Fill-in
Grants	Easy win
Real Estate Tax Exemptions	Easy win
Underserved Rural Areas	Easy win
Developer Financing	Strategic priority
Local Mandates	Strategic priority
Public Enterprise	Strategic priority
Public-Private Partnership	Strategic priority
State Housing Tax Credit	Strategic priority

homebuyer assistance

fill-in

One of the largest challenges for potential middle-income homebuyers is the ability to compete with others in the open market. An increasing number of households further up the income ladder are facing difficulty finding affordable homeownership opportunities in places where they can both live and work.

Closing cost and down payment assistance programs provide financial aid to homebuyers. This assistance usually comes in the form of grants or low-interest loans to help cover the upfront costs of purchasing a home, including the down payment and various closing fees like appraisal, title insurance, and attorney fee. These programs are often offered by local housing agencies, non-profits, or state organizations, and typically require applicants to meet specific income and eligibility criteria to qualify.

Many states already have such programs geared towards households making 80% AMI or less. Many of them, like Virginia DHCD's Down Payment Assistance, utilize federal funding to support these programs. And with those dollars come restrictions on who can receive them. In order to meet the needs of homebuyers outside of those federal guidelines, states have been putting up their own funding to meet the need for middle-income homebuyers.

While Virginia Housing's Down Payment Assistance (DPA) and Closing Cost Assistance (CCA) utilizes its in-house Resources Enabling Affordable Community Housing (REACH) funds, eligibility has mirrored DHCD's guidelines. This has allowed homebuyers to layer homebuyer assistance, making buying a first home even more accessible.

In addition to closing cost and down payment assistance, state housing finance agencies have been offering lower fixed-rate mortgages to higher income households or specific occupations. State housing finance agencies, including Virginia Housing, offer lower interest rates because they often utilize tax-exempt bonds to fund their loans. This allows them to borrow money at a lower cost and pass those savings on to borrowers, effectively subsidizing the interest rate to achieve a public policy goal of making homeownership more affordable.

More Assistance, More Demand, Higher Prices?

A concern about homebuyer assistance is the effect of increased demand on an already limited supply of housing. This effect can ultimately lead to higher home prices for buyers whether with or without assistance. Coupling homebuyer assistance with existing affordable homeownership opportunities can reduce this effect. However, nonprofit housing developers are often restricted in their ability to sell homes to households above 80% AMI. Therefore, new programs to develop homeownership opportunities for households at AMI levels would be required.

Arizona is Home Program (2024)

The Arizona is Home program was launched by Governor Katie Hobbs and the Arizona Department of Housing in April 2024. With $13 million in funding, the program provides enhanced down payment assistance and mortgage interest rates for first-time homebuyers. The program is projected to assist approximately 500 homebuyers across Arizona.

Mortgage assistance is provided with a 5.75%, 30-year fixed-rate FHA/VA/USDA mortgages and a 6.00%, 30-year fixed-rate Fannie/Freddie mortgages with 4% down payment and closing cost assistance. This program serves qualified, first-time homebuyers in Arizona's 13 counties outside of Maricopa and Pima counties and requires housing counseling and homebuying education prior to the loan closing. Assistance is being offered as a silent second mortgage that is due on sale. Homebuyers must attend an 8-hour homebuyer education class and meet one-on-one with a HUD certified Home Ownership Advisor.

The funds can be used for down payment, interest rate buy-down, and/or closing costs related to the purchase of a home. First-time homebuyers who are at 80% or below Area Median Income (AMI) are eligible to receive up to $30,000 (first-time homebuyers between 81-120% of AMI are eligible to receive up to $20,000).

As of July 2024, the program has already helped 100 families purchase a home.

why is it a fill-in?

Increased homebuyer assistance without a substantive increase in housing supply could simply lead to increased competition and higher home prices. Homebuyer assistance will certainly allow for some homebuyers to get off the sidelines, but homebuyer assistance needs a consistent, dedicated source of funding. The number of households served can ultimately be limited by the amount of supply available at prices households can afford.

A homebuyer assistance program can be more impactful when coupled with dedicated affordable homeownership development. Therefore, developer financing or grants for home construction in return for income restricted housing can complement homebuyer assistance. Leveraging the community land trust model wherein a nonprofit organization retains ownership of the land and sells the home to an income qualified homebuyer can ensure that subsidy supports multiple households over time.

target occupations

fill-in

A few states have sought to address housing challenges for specific occupations. Most often these occupations are public service employees such as nurses, teachers, police officers, and firefighters. This targeted approach typically comes in the form of homebuyer assistance to ensure that public service workers can both live and work in the communities they serve.

Closing cost and down payment assistance are most common, but some states have been able to offer lower fixed-rate mortgages for qualifying employees. When coupled with cash assistance, these loan products can be a major incentive for potential borrowers. However, the conditions of assistance can make accessing assistance difficult for some borrowers. For example, some buyers may be unable to commit to homebuyer education courses. For others, improving their credit scores to required levels may take significant work.

Louisiana Keys for Service Program (2023)
Louisiana Housing Corporation

The Louisiana Keys for Service program is a targeted homebuyer assistance program, where qualified households can receive four percent of the final loan amount in down payment and closing costs toward purchasing their home. The program is limited to active, full-time occupations including law enforcement or emergency response agency, firefighters, licensed paramedics, public safety telecommunicators, teachers of a city, parish, state, or private school board (must hold a Louisiana teacher's certification or possess an advanced degree and/or have shown a commitment to teaching with five years of teaching experience), and employees of hospitals, offices of physicians, pharmacies, drug stores, outpatient care centers, nursing care facilities, and assisted living centers. The maximum annual household income for borrowers is $125,000.

why is it a fill-in?

Many communities want to ensure that those who serve their community can also live there. This has been a growing concern as teachers, nurses, firefighters, and other service providers are unable to afford housing in the places they work. Most programs targeting specific occupations are focused on homebuyer assistance. Designing programs that serve public service occupations typically receive broad support from the public and politically. They can also be easily implemented.

But programs that target specific occupations can be limited in their impact if they serve a very narrow subsection of jobs. Some programs are focused specifically on attracting and retaining occupations that are missing from a community (i.e., medical professionals or teachers). Since there are numerous factors that affect where people choose to live, targeting specific occupations with homebuyer or rental assistance can miss the mark when other investments could support greater affordability or improvement for the entire community.

As noted previously, another key issue with homebuyer assistance is addressing the supply challenges that exist across communities. Homebuyer assistance in any form is impacted by the available supply of homes that are affordable to eligible households. Without improvements in supply, the impacts of targeted homebuyer assistance can be further limited.

grants
easy win

Grants are particularly valuable in affordable housing development because they don't need to be repaid, effectively reducing the overall cost of the project. This allows developers to offer lower rents or sales prices while still maintaining financial feasibility. Funds can also be used for other activities, such as helping local governments undertake infrastructure improvements to support middle-income housing development. Grant programs like these are already prevalent across the nation, but there are several pitfalls, including their finite nature.

However, grants are a significant incentive to attract participation and competition. Typically awarded through a competitive application process, requirements can be designed and scaled to meet the needs of the community. In some cases, matching funds are required.

Nebraska Middle Income Workforce Housing Investment Fund (2020)

Established under the Middle Income Workforce Housing Investment Act (LB866, 2020), the Nebraska Middle Income Workforce Housing Investment Fund (MWHF) provides matching grants to non-profit development organizations that administer local workforce housing investment funds. MWHF funds are awarded for investment into Nebraska's older urban and higher-minority neighborhoods in Douglas, Lancaster and Sarpy counties.

The fund makes awards based on a competitive application process. In February 2024, the Nebraska Department of Economic Development (DED) announced a total of $11.75 million in awards to four recipients for their 2022 program year. In June 2023, DED had previously awarded $7.5 million to three recipients.

why is it an easy win?

Grants like developer financing will require funding to implement. But once spent, grant dollars need another allocation or funding source to be sustained. This can make grant funding seem like a difficult strategy to implement, but grant funding is an enticing resource by developers because it lowers the cost of development with no expectation of financial repayment.

There can be concern among some developers that the conditions of grant funding can be cumbersome, including grant reporting requirements, eligible activities, affordability restrictions, etc. An important consideration in designing grant programs is balancing the requirements with the scale of the incentive.

real estate tax exemptions

easy win

Real estate tax exemptions support affordable housing by reducing operating costs, allowing for lower rents while maintaining project viability. They improve financial feasibility, incentivize developers to create affordable units, and promote long-term affordability. These exemptions often benefit non-profit developers and help preserve existing affordable housing. While they reduce local tax revenue, they represent local government support without direct cash outlays. Tax exemptions can be targeted to specific populations or areas and often complement other affordable housing programs.

Florida Missing Middle Tax Exemption (2023)

The Newly Constructed Multifamily Project Ad Valorem Tax Exemption (also known as the "missing middle" tax exemption) encourages new or recently constructed market rate multifamily rental developments to offer affordable and workforce units. Interested owners must first apply with Florida Housing to obtain a Multifamily Middle Market certification notice and then with their local property appraiser, by March 1st, to obtain the exemption. Before issuing the Multifamily Middle Market certification notice, Florida Housing will review specific criteria and determine if a certification notice can be issued. While a certificate from Florida Housing is required in order to receive the exemption, it is not a guarantee that an exemption will be issued. The property appraiser will determine eligibility and final issuance of an exemption. For units in qualified properties that serve households with incomes between 80 and 120% of the area median income, an exemption of 75% of the assessed value must be provided.

why is it an easy win?

Real estate tax exemptions are an easy-win because they can be easy to implement and do not require additional funding, and their impact can be huge when at the state-level. Tax exemptions are a prevalent tool throughout the nation and are present in Virginia already. The tax savings for some developers can be significant enough to help projects pencil out. In Virginia, real estate taxes often average five to ten percent of an affordable housing property's expenses.

Many local governments have tax exemption and abatement programs that support housing development but many of them are meant to catalyze redevelopment and rehabilitation. Efforts have been made in the Virginia General Assembly to allow localities the ability to exempt certain affordable housing from real property taxes, but none have passed. The HB 854 Statewide Housing Study offers significant recommendations related to real estate tax reductions for affordable housing and can provide additional guidance.

underserved rural areas

easy win

Many of the programs identified are focused on increasing the supply of quality housing in rural areas, an issue not foreign to rural Virginia. With few incentives to develop moderately priced homes at low densities, the housing that does get built is often out-of-reach for middle-income earners or just simply absent from the market.

Some states have approached this issue by providing grant and loan products to make financial pro formas work in rural areas. Resources directly allocated for rural areas prevent competition with other state resources that are often awarded to urban areas. This is sometimes coupled with grants to address much needed and costly infrastructure improvements needed to create new housing.

North Dakota Rural Workforce Initiative to Support Housing (R-WISH)

The R-WISH pilot supports rural communities of 20,000 residents or less with construction of market rate housing for workforce when a company is locating or expanding its operations. To qualify, the community must be experiencing a period of rapid growth due to a new company locating in the community or a local company expanding by more than 10 full-time equivalent employees. Funds may be used for new multi-family and 1-4 family housing projects or the rehabilitation of existing multi-family and 1-4 family housing if it is more cost-effective than new construction.

The community must support the project through one or more of the following:

- A local development corporation providing direct funding
- In-kind contributions such as land, property, or infrastructure
- Future dedicated tax programs
- Community share of the interest buydown

The company expanding in the community must contribute to the project costs and may include:

- Providing direct equity to the project
- An in-kind contribution of product or labor
- Other support that helps lower the overall project cost or provide financial assurance during the term of the loan

The pilot was launched in June 2024 and $10 million was approved by the North Dakota Industrial Commission for the program.

why is it an easy win?

Creating programs targeted at rural areas is as simple as defining what constitutes a rural area within a state. Some states have taken an approach of targeting areas based on population size in conjunction with interest from potential large employers. Another approach could be focusing on rural areas seeing population decline. Regardless, the approach is focused on stimulating development in an area that the private sector is not currently serving.

Targeting dollars to specific geographic areas is common and can be easily implemented. Many rural communities simply need funding to improve infrastructure to make development more feasible (e.g., extending water and sewer, improving broadband connectivity, etc.), while developers often need a financial incentive to come to areas where the numbers don’t pencil out due to higher costs.

developer financing

strategic priority

With high development costs, affordable housing developers continue to face a shortage of capital to make housing affordable. In addition, federal programs are often limited. The majority of financing programs for affordable housing are limited to housing below 80% AMI. Meanwhile, the low supply of housing overall has contributed to the ability to ask for higher rents and sale prices. With a healthy luxury market and a subsidized lower-income market, there is sometimes little incentive to build housing priced towards the middle.

To address this shortage of capital for middle-income residential development, state governments are offering new debt financing programs - revolving loan funds, mezzanine debt financing, and tax-exempt bonds.

Build4CT Workforce Housing Program (2023)

Build4CT is a middle-income housing program providing subordinate financing that will offer favorable terms and more flexible underwriting to incentivize developers of market rate multifamily properties to create units that are affordable to middle income households. A collaboration between the Connecticut Department of Housing (DOH) and the Connecticut Housing Finance Authority (CHFA), the program leverages $200 million in state bonds to deliver housing affordable to renters up to 120% AMI.

The program requires that at least 20% of total units are affordable to renter households between 60 and 120% AMI. Loan terms vary based on what type of loan is being utilized (e.g., construction or permanent). Developers can borrow up to $125,000 per middle-income unit and those units must remain affordable for at least six years.

As of October 2024, two projects have been awarded funds and will support a total of 210 middle-income housing units, but several more are expected.

why is it a strategic priority?

With increasing costs associated with developing housing, an increase in financial resources to cover those costs is a no-brainer. The ability to increase resources for financing resources can be low effort depending on the political will to do so. But if budget resources are already dedicated, identifying additional funding or reallocating existing funding can require higher effort. Loan funds or other similar types of financing can be beneficial because funds will eventually be paid back and potentially with a small amount of revenue.

Additionally, significant effort is required to design a program and administer it. There are existing programs to draw inspiration from which can help streamline design and implementation, but resources will need to be dedicated to administer a program.

local mandates
strategic priority

Some states have implemented mandates or preemptions to compel local governments to allow for housing so long as it meets certain criteria. This approach has been characterized as a “stick” because it often seeks to penalize local governments for refusing to comply. But in many instances, there has been a lack of enforcement mechanisms. This “stick” approach often receives opposition from those perceiving it as taking away local control, while others see it as a necessary step to force localities to allow for much needed housing.

Mandates can require developments to set aside a certain amount of units as affordable to certain household incomes, such as in the case of New Hampshire’s Workforce Housing Law. Preemptions can override local zoning control by allowing for certain types of development so long as it meets certain criteria (e.g., inclusionary zoning). Many states have inclusionary zoning laws and its impacts have seen mixed results.

New Hampshire Workforce Housing Law (2008)

The New Hampshire Workforce Housing Law was passed in 2008 and took effect on January 1, 2010. Senate Bill 342 requires municipalities to provide “reasonable and realistic opportunities” for the development of workforce housing in a majority of their residentially zoned areas. The law defines “workforce housing” as:

- For-sale housing affordable to a household of four earning up to 100% AMI; or
- Rental housing that is affordable to a households of three earning up to 60% AMI

Localities across New Hampshire have responded differently to the mandate. Some localities have enacted mandatory set-asides, density bonuses, and innovative zoning amendments. However, some legal experts have stated that there is still a clear lack of an enforcement mechanism and without additional subsidy, the mandate is financially infeasible.

why is it a strategic priority?

Local mandates are a strategic priority because of the significant amount of effort required to pass this type of legislation. Some local governments oppose state-level preemption of local powers, particularly around taxing authority and zoning regulations. However, an increasing number of states have been taking on this approach due to the unwillingness of local governments to support an adequate supply of housing within their borders.

Many states have approached local mandates through a "stick" approach that allows for legal recourse if a local government does not comply. The Mount Laurel Doctrine in New Jersey is one of the most famous mandates associated with affordable housing development and has been in place for decades. However, it was not until recently that strict enforcement guidelines were implemented that allowed for builder's remedy lawsuits and other legal challenges. Recent studies have shown that the Mount Laurel Doctrine has contributed to more than 21,000 affordable homes since 2015.

Some researchers have characterized "carrot" policies like President Biden's zoning reform-linked grant funding from the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) program as ineffective.[2] Based on applications, very "few if any grants were awarded to applicants who adopted, or promised to adopt, zoning reforms." Emily Hamilton, Senior Research Fellow and Director of the Urbanity Project at the Mercatus Center at George Mason University, suggested that "the best possible way to structure a zoning reform program would be to reward jurisdictions based on housing market outcomes. Cities that permit a lot of housing and see housing costs stay relatively affordable as a result would be the ones receiving federal grants."

2) Britschgi, Christian. (2022). "Joe Biden's Use of Transportation Dollars To Incentivize Zoning Reform Is a Big Flop," Reason.com. Retrieved from *https://reason.com/2022/08/23/joe-bidens-use-of-transportation-dollars-to-incentivize-zoning-reform-is-a-big-flop/*.

public enterprises

strategic priority

Government-owned mixed-income housing development is an increasing topic among affordable housing professionals. Public enterprises for housing are being seen as an innovative, sustainable solution to addressing the need for a range of housing options. With the Faircloth Amendment of 1998 capping the number of public housing units that can be built, the tools available to public housing authorities have been greatly limited. Public enterprises have been put forth as a way to access new sources of capital that do not come with the restrictions of federal funding.

These developments are mixed-income, affordable housing that are publicly coordinated, owned, and financially sustainable. These developments are characterized by:

- A mix of income levels among residents
- Permanent affordability for a portion of the units
- Financing and ownership by a public development authority or public housing authority (PHA)

Two states, California and Colorado, have created authorities with the ability to provide low-cost financing for community-based projects related to middle-income housing. Both entities have the ability to issue tax-exempt bonds, but they also have the ability to acquire, develop, and rehabilitate real estate.

Workforce Housing Program

California Statewide Communities Development Authority

The CSCDA Community Improvement Authority (CSCDA CIA), an affiliate joint powers authority, acquires public benefit oriented capital projects through the issuance of tax-exempt governmental purpose bonds. Through CSCDA CIA's Workforce Housing Program, government bonds are issued to acquire market-rate apartment buildings. These properties are then converted to income and rent-restricted units for moderate/middle income households, which are generally households earning 80% to 120% of AMI. Annual rent increases are capped at 4%, which is significantly less than the rent limits under AB1482, the recently adopted State tenant protection legislation. Additionally, the program prohibits the displacement of existing tenants upon acquisition by the Authority and exercises the income restrictions only on new tenants.

why is it a strategic priority?

Public enterprises for housing are an emerging strategy in the United States. While they have a proven track record abroad, they are only recently coming to the forefront of U.S. housing policy. For this reason, there is a need for education around how they are structured, funded, and implemented. Creating a public enterprise for housing would require statutory authority, funding, and technical understanding.

public-private partnerships

strategic priority

While the issue of middle-income housing has been elevated, bringing in private employers to assist has not been identified as a major strategy among states. However, the Indiana Anchor-Employer Workforce Housing Program is notable for its involvement with large anchor employers in the state. Large employers can be a major source of developable land and capital to see projects through. Furthermore, their participation in addressing the problem can lead to greater workforce recruitment and retention. From the survey of national middle-income housing programs, Indiana was the only state to explicitly involve private employers or anchor institutions.

Indiana Anchor-Employer Workforce Housing Program

Indiana Housing and Community Development Authority

The Indiana Anchor Employer Workforce Housing Program [PDF] is a state initiative managed by the Indiana Housing and Community Development Authority (IHCDA) that aims to address housing shortages for employees of large "anchor" employers by providing funding to support the development of workforce housing options in their communities, essentially helping these companies attract and retain talent by making housing more accessible to their workforce. A Request for Proposals was issued at the beginning of June 2019, seeking opportunities for partnerships with employers who have been located within a community for a minimum of five years and are among the top 10 employers in that community. IHCDA will co-invest up to $1 million per employer to undertake projects that address the specific workforce housing needs of their community. The four chosen employers are French Lick Resort, Impact CNC, Indiana University Health, and Zimmer Biomet.

French Lick Resort plans to use resort-owned land and will develop up to 100 homes for-sale with support from the Orange County Economic Development Partnership. The sale of homes will help fund a revolving loan fund to complete future workforce housing projects.

Zimmer-Biomet, a global medical technology company based in Warsaw, Indiana, established a multi-million dollar Workforce Housing Revolving Loan Fund with additional support from Kosciuko County Community Foundation and Lilly Endowment, Inc.

Impact CNC, a manufacturing company based in Whitley County, Indiana, will utilize funds to help build housing for its employees in the Columbia City area in partnership with the Whitley County Economic Development Corporation.

why is it a strategic priority?

Public-private partnerships are often touted as a best practice in community and housing development. Through these partnerships, both public and private dollars are leveraged to maximize investment opportunities and community benefit. Increasingly, the connection between housing and economic development is leading employers to publicly voice their concerns about housing affordability. In spite of this connection, it can still be difficult to get employers to commit their own dollars and resources to build housing. But large incentives from state and local governments can often be enough to get employers involved.

Public-private partnerships could also be project specific rather than an ongoing program. These projects can be initiated by government entities or by an employer. Planning ahead for such opportunities can be difficult, but they are possible if a potential site is identified. Numerous conditions can affect public-private partnerships, but major private sector investment can be a boon to communities.

state housing tax credit

strategic priority

The Low-Income Housing Tax Credit (LIHTC) program is the nation's largest driver of affordable housing development. The program provides a tax incentive to construct or rehabilitate affordable housing for low-income households. In exchange for setting aside units for low income households (making 60% AMI or less), developers receive a tax credit which can offset the cost of construction. Developers typically sell the credits to private investors to obtain funding. The federal government annually sets the limit on tax credits and each state is awarded credits on a per capita basis. This means that tax credits are limited.

Many states have implemented their own LIHTC programs, including Virginia, to supplement the federal program. In some cases, states have created housing tax credit programs to meet the needs of households outside the income limits of the federal program. These programs build off of the existing LIHTC infrastructure to once again bring private investment activity into middle-income housing production. Colorado's Middle-Income Housing Tax Credit (MIHTC) program is a pilot program created during the 2024 General Assembly session and is believed to be the first of its kind. Other similar programs, like the Kansas Housing Investor Tax Credit (KHITC) do not have income limits aimed at middle-income households. Instead, the tax credits are aimed at simulating market-rate development in underserved areas of the state.

In 2024, Kansas awarded $3.7 million in Kansas Housing Investor Tax Credits in six communities. These tax credits were combined with other resources to represent a total investment of $22.9 million and achieve a net gain of 124 units in rural Kansas.

Colorado Middle-Income Housing Tax Credit (2024)

HB24-316 created a tax credit for rental housing for individuals and families with a household income between 80% and 120% of the area median income, except in rural resort counties, where the range is 80% to 140%. The Colorado Housing and Finance Authority will determine the amount of the credit for each property and rent cannot exceed 30% of the imputed income limitation applicable to a unit. The annual statewide cap will be $5 million for 2025 and 2026 and $10 million for 2027, 2028 and 2029. The credit can be claimed over five years, but the property must provide middle-income housing for 15 years.

why is it a strategic priority?

Implementing a State Housing Tax Credit requires legislative action and an allocation of tax credits. Neither of these actions is an easy effort. Virginia recently implemented its Housing Opportunity Tax Credit (HOTC) in 2021 and there is already a requirement that a portion of awards are for developments in jurisdictions with population under 35,000. Widening the range of incomes served by a state income tax credit program could face significant pushback from advocates if there would be a loss of resources for lower-income households. This issue was highlighted by the Harvard Joint Center for Housing Studies in their study of middle-income housing programs. Furthermore, Virginia's program was designed specifically to be paired with the federal LIHTC program. Increasing income requirements would result in a loss of HOTC's ability to leverage the federal program, as well as tax exempt bonds.

Increasing the allocation of tax credits for rural areas of the state, especially those seeing interest from major employers, could be a more strategic path for an expanded HOTC program.

peer state profiles

Virginia competes with states across the nation to attract businesses to their communities. Virginia's key competitors are Florida, Georgia, North Carolina, South Carolina, Tennessee, and Texas. The following section provides comparative profiles of these peer states in terms of economic conditions and political context. In addition, we have explored middle-income housing program efforts within each of these competitor states.

virginia

Population: 8.71 MILLION (July 1, 2023, PEP)

Housing Units: 3.71 MILLION (July 1, 2023, PEP)

Employment Level: 3.33 MILLION (March 2024, QCEW Private Employment)

middle-income housing efforts

Under Governor Glenn Youngkin, the connection between economic development and housing has been elevated significantly in Virginia. As Virginia continues to attract major employers, a growing concern among employers is housing to support their employees. In the last two years, Virginia has made strides to address this concern through new resources and funding to support housing for middle-income households.

Median Renter Household Income :	**$60,380** (ACS 2023 1-Year)
Median Homeowner Household Income:	**$107,827** (ACS 2023 1-Year)
Average Rent:	**$1,754** (Apartments.com, Dec. 2024)
Median Home Sales Price:	**$392,682** (Zillow Median Sale Price, December 5, 2024)
Local Government Authority:	**Dillon Rule**
Right-to-Work:	**Yes**
Minimum Wage:	**$12.41/hr** Effective Jan. 1, 2025
State Housing Finance Agency:	**Virginia Housing**
State Housing and Community Development Department:	**Virginia Department of Housing and Community Development**

virginia

middle-income housing programs in virginia

Virginia Pooled Financing Program

Administered by Virginia Resources Authority

background

In the 2023 Virginia General Assembly session, Senator Lynwood Lewis, Jr. (D) and Delegate Robert Bloxom, Jr. (R) introduced Senate Bill 1401 and House Bill 1805, respectively. The bills sought to grant the Virginia Resources Authority (VRA), a political subdivision of the Commonwealth that provides financial support for community infrastructure projects, the ability to also finance the production and preservation of housing. The bills were ultimately passed and approved by Governor Youngkin, with an effective date of July 1, 2023. VRA provides support for housing development through its Virginia Pooled Financing Program (VPFP)

objective

The main objective of the VRA is to provide financing solutions that support vibrant and resilient communities.

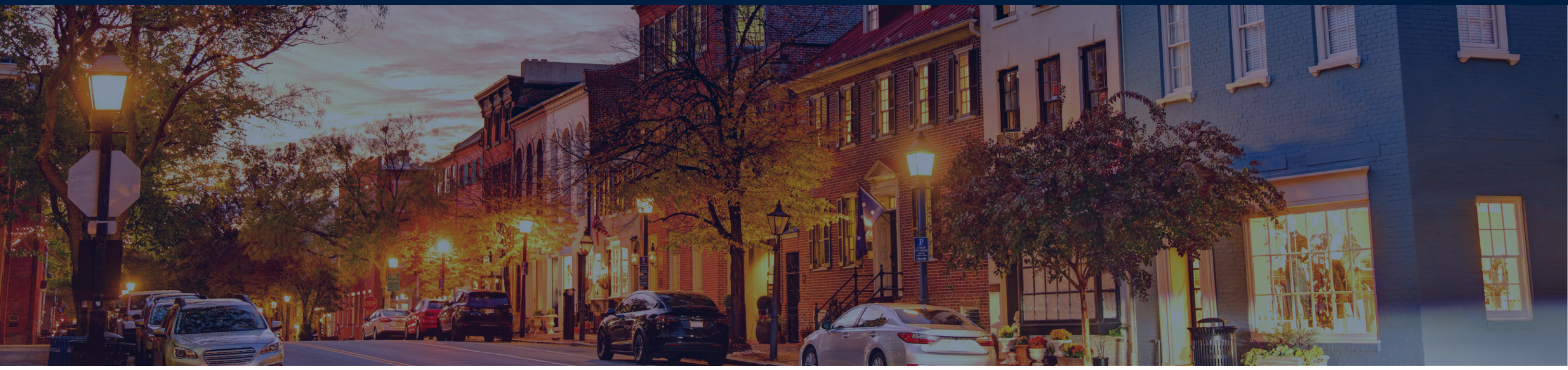
structure

VPFP is a general municipal pool program that provides Virginia local governments with efficient public debt market access to finance or refinance essential projects at competitive interest rates. Through the VPFP, VRA sells municipal bonds and then loans the proceeds to local governments, which benefit from VRA’s strong credit ratings, competitive interest rates, and straightforward application process.

The VPFP offers loan structuring flexibility, while allowing localities to finance or refinance multiple different project types through a single transaction. The VRA team manages all aspects of the bond issuance process and guides applicants to and after loan closing.

outcomes

VPFP has not yet made awards for housing development.



Economic Development Workforce Housing Incentive Pilot Program

Administered by the Virginia Tobacco Region Revitalization Commission

background

Developed with feedback from staff of Virginia Housing and the Virginia Department of Housing and Community Development, the Economic Development Workforce Housing Incentive Pilot Program is designed to make the Tobacco Commission's footprint more attractive for economic development by directly addressing a major concern of expanding employers: insufficient housing for their workforce. The program takes advantage of the Commission's ability to offer innovative solutions to the challenges Southern and Southwest Virginia are facing and will allow Commission funds to serve as a catalyst, bringing together public and private sector partners to address workforce housing needs.

objective

The main objective of the Economic Development Workforce Housing Incentive Pilot Program is to enhance the appeal of the Tobacco Region for major economic development projects by incentivizing localities and employers to develop affordable housing options for employees.

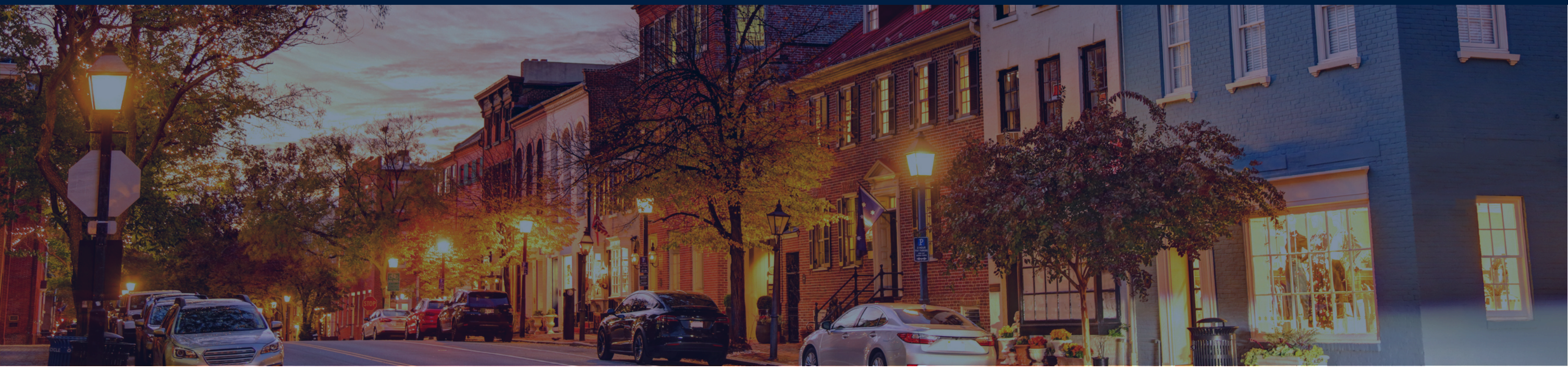
structure

The program works by providing incentives to localities and employers to develop affordable housing options for employees. Local political subdivisions of the Commonwealth can apply on behalf of housing developers (both for-profit and non-profit) to receive funding. Each housing unit can qualify for up to $35,000 in support, which can be used for site development, infrastructure, or direct construction costs.

The funding structure requires a minimum three-to-one match from other sources, meaning for every dollar provided by the Commission, at least three dollars must come from elsewhere. Projects must be tied to economic development initiatives in the Tobacco Region and demonstrate a clear workforce housing need. The housing developments must target middle-income households (typically those earning 80-120% AMI) and be designed to keep housing costs at or below 30% of residents' income.

What makes this program particularly innovative is its emphasis on density and affordability. The Commission encourages the construction of multifamily buildings and duplexes to maximize land use and keep costs down. They also look favorably on proposals that include employer participation, such as:

- Savings match programs to help employees save for home purchases
- Monthly housing payment assistance to keep costs below 30% of income
- Direct investment in the housing units
- Employer-provided transportation services

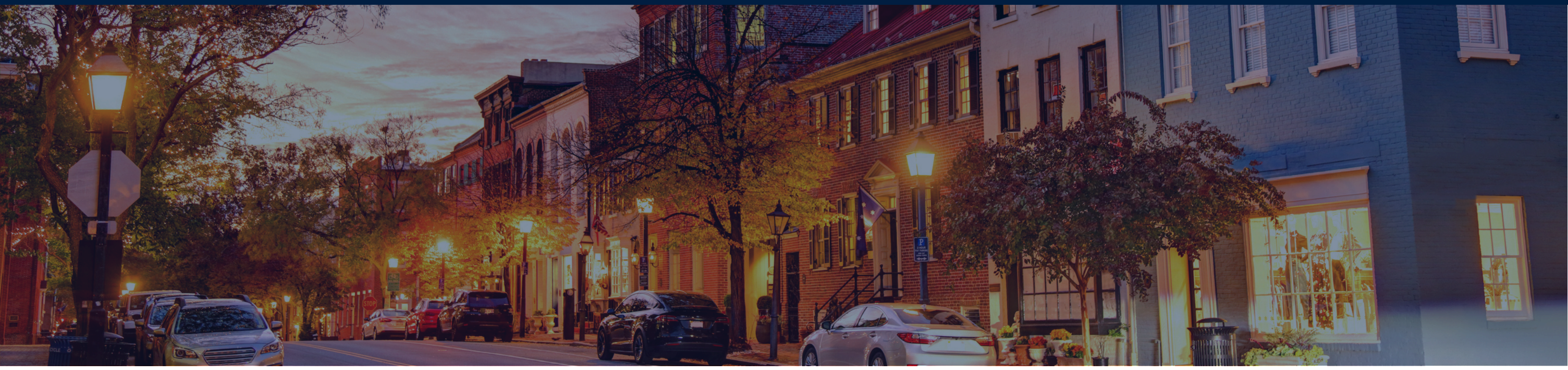


The program also values community support and innovation. Stronger applications might include elements like tax increment districts to fund infrastructure, strategic rezoning to allow denser housing near employment centers, or meaningful public investment in the project. The Commission particularly values proposals that leverage multiple funding sources and partners, including state and federal housing resources, local housing organizations, and Virginia Housing support.

Applications are accepted on a rolling basis, with a pre-application process required to help assess project eligibility and provide feedback before full applications are submitted. The Commission reviews these applications during its spring, fall, and winter meetings.

outcomes

The pilot program has not yet made any awards.



Workforce Housing Investment Program

Administered by Virginia Housing

background

In November 2024, Governor Youngkin announced the Workforce Housing Investment Program, a new initiative at Virginia Housing that will invest $75 million over five years. The program hopes to catalyze $750 million in economic activity and build 5,000 units of workforce housing in conjunction with economic development projects across the Commonwealth. This initiative is deeply tied to Executive Order 42, which formally ties economic development development to workforce housing supply and further seeks to coordinate efforts between Virginia Economic Development Partnership (VEDP), DHCD, and Virginia Housing.

objective

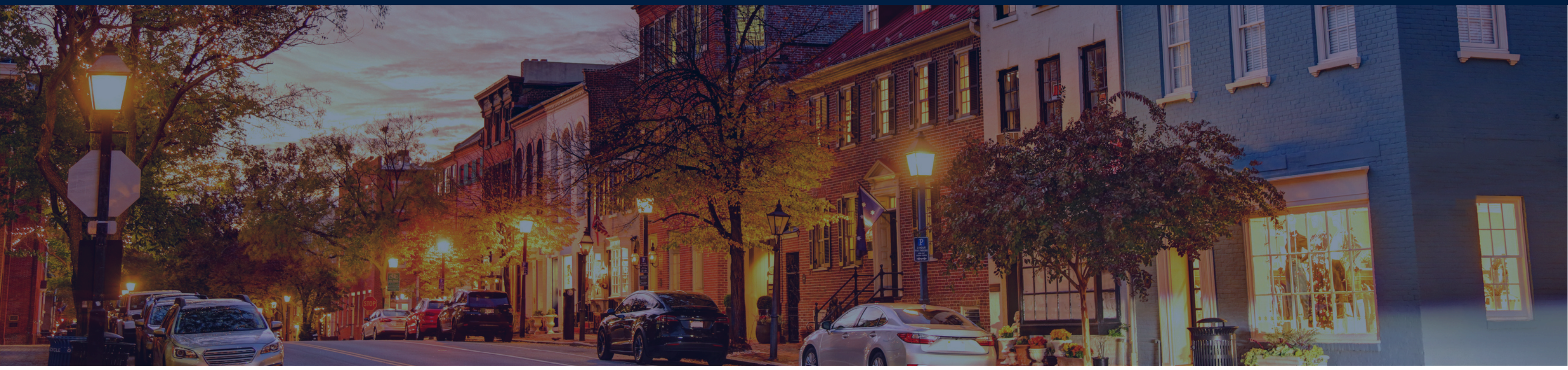
The main objective of the Workforce Housing Investment Program is to increase the supply of housing affordable to workers earning 80-120% AMI.

structure

The Workforce Housing Investment Program is structured as a grant or loan subsidy program. Awards are available in regions with a recent economic development project announcements bringing in new residents requiring affordable housing options for both rental and homeownership. These include expansions of current employers as well as those new to the locality. At the completion of development, new housing units would be available and affordable to households making between 80-120% of the Area Median Income.

To be eligible for grant funds or rate subsidy under the Workforce Housing Investment Program, the applicant must be one of the following: nonprofit organizations, units of local government, or quasi-governmental entities. The applicant may apply in partnership with a private for-profit entity. Applicants may submit multiple requests for different project funding.

Eligible projects will need to be located within a 30-minute drive time of a job announcement within the Commonwealth of Virginia from July 1, 2023 - December 31, 2024 that meets the following requirements based on level of distress of the location of the employment center.



Job announcements must be verified through a press release from the Governor's Office, local economic development department press release, or a letter from the employer confirming their plans to locate or expand in a locality. This verification must include the date of the announcement, location of the jobsite, and the number of full-time employers to be hired. For each qualifying job announcement, a maximum of $3,000,000 will be available to residential development within thirty minutes of the jobsite. This can be split between multiple projects. For transformational job announcements of over 500 full time employees, a total of $5,000,000 in awards will be available. The total award plus local match will not exceed 20% of the total development cost.

The locality of the qualifying jobsite will be used to determine the minimum number of new jobs needed to be eligible for this program. If a project meets the thirty-minute drive time but is located in another locality, the distress level of the locality where the new units are to be built will determine the match requirements and award type/amount.

Localities are required to provide a match of cash or in-kind contributions (including land, infrastructure improvements, waived fees, etc.) based on distress level that equals a maximum of 20% of total development costs or a maximum of $3 million of Virginia housing award ($5 Million for transformational projects over 500 jobs) whichever is lower.

outcomes

The competitive application process will be open between February 1, 2025 through March 31, 2025. Applications will be scored by a cross-agency team and awards will be announced by June 30, 2025.

florida

Population: 22.61 MILLION (July 1, 2023, PEP)
Housing Units: 10.45 MILLION (July 1, 2023, PEP)
Employment Level: 8.73 MILLION (March 2024, QCEW Private Employment)

Median Renter Household Income :	**$53,760** (ACS 2023 1-Year)
Median Homeowner Household Income:	**$85,257** (ACS 2023 1-Year)
Average Rent:	**$1,669** (Apartments.com, Dec. 2024)
Median Home Sales Price:	**$392,176** (Zillow Median Sale Price, December 5, 2024)
Local Government Authority:	**Home Rule**
Right-to-Work:	**Yes**
Minimum Wage:	**$15/hr** By 2026
State Housing Finance Agency:	**Florida Housing Finance Corporation**
State Housing and Community Development Department:	**None**

middle-income housing efforts

Facing major shortages in affordable housing, the Florida Legislature passed Senate Bill 102, the Live Local Act, with bipartisan support. Lauded as one of the most comprehensive statewide housing packages, the Live Local Act represented Florida's first major effort to increase the supply of housing across the state.

middle-income housing programs in florida

Live Local Act (SB 102)

Signed into law by Governor Ron DeSantis

background

The Live Local Act was introduced into the 2023 Florida Legislature Session by Senate President Kathleen Passidomo (R). Senate Bill 102 passed with a unanimous vote in the State Senate and 103-6 in the State House. The bill was later signed by Governor Ron DeSantis on March 29, 2023 and took effect on July 1 of that same year. The Live Local Act is a comprehensive housing package that addresses funding, tax incentives, and substantial amendments to state code.

In 2024, the Enhancement Bill was passed to make amendments to the Live Local Act. These amendments went further in preempting local zoning control after confusion and uncertainty.

objectives

The objective of the Live Local Act is to significantly increase the availability of affordable housing over ten years.

structure

The Live Local Act is a legislative package that includes funding commitments, the creation of a tax incentive policies, preemption of local land use policies, encouragement of the use of publicly owned land for affordable housing, and changes to the state housing strategy. The Florida Housing Coalition has compiled a comprehensive overview of the Live Local Act, including its amendments during the 2024 session. That overview can be found here (PDF).

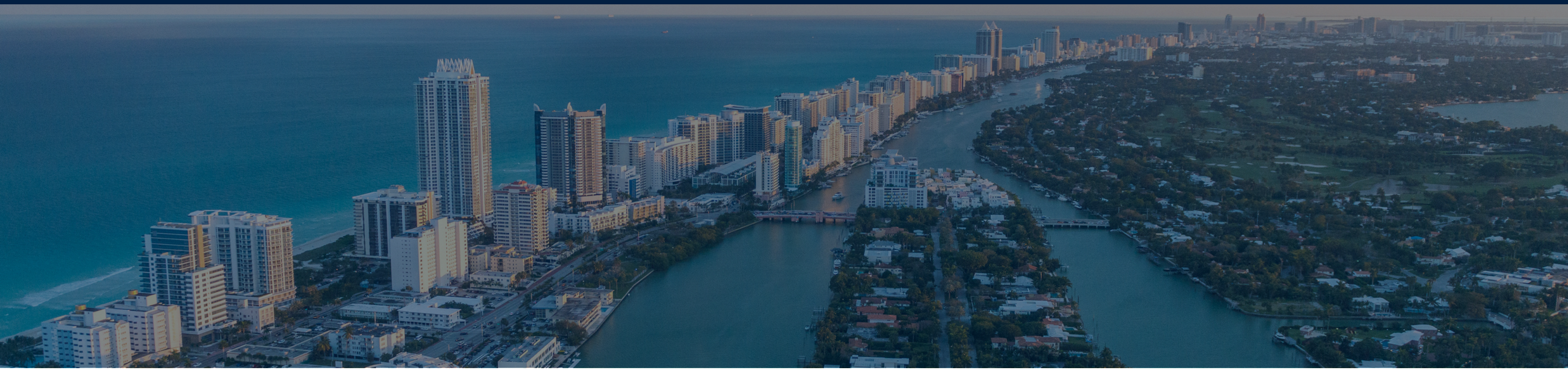
The following provides an abridged version of that overview with specific focus on policies and programs targeting AMIs above 80% or market-rate development.

Property Tax Exemptions

Missing Middle Property Tax Exemption
Newly constructed multifamily housing with more than 70 units affordable to households making up to 120% AMI are eligible to receive a property tax exemption for the affordable units. Units for households making between 80-120% AMI can receive a 75% property tax exemption, while those units serving below 80% AMI can receive a 100% property tax exemption.

Nonprofit Land w/ a 99-Year Ground Lease Exemption
Land owned by a 501(c)(3) organization that is leased for a minimum of 99 years for the purpose of, and is predominantly used for, affordable housing to households at or below 120% AMI is exempt from property taxes.

Local Land Use
The Live Local Act preempts city and counties from requiring that eligible affordable housing developments in areas zoned for commercial, industrial, and mixed use go through the entitlement process. To be eligible, a proposed development must set aside at least 40% of its total units as affordable to renters at or below 120% AMI for a period of at least 30 years.



Funding Commitments

Florida Hometown Heroes Program
Initially launched in 2022, this homebuyer assistance program provides down payment and closing cost assistance to first-time homebuyers who meet certain criteria related to income and employment. To be eligible, a first-time homebuyer must be employed full-time by a Florida-based employer (headquartered or with a brick-and-mortar location in Florida) and their income cannot exceed 150% of the state median income or local median income, whichever is higher. Down payment and closing cost assistance comes in the form of an interest-free loan from the Florida Housing Finance Corporation for a minimum of $10,000 and up to 5% of the first mortgage loan, not to exceed $35,000.

Innovative SAIL Funding Initiatives
The SAIL program is a low-interest gap financing program intended for use on multi-family projects in combination with other sources of funding, such as LIHTC. It has its own set-aside requirements, but allows for flexibility in some circumstances:

- Minimum 20% of units set aside for 50% of AMI
- LIHTC projects may use a minimum of 40% of units set aside for 60% of AMI; and
- Projects in the Florida Keys Area may use a minimum of 100% of units set aside for 120% of state or local median income, whichever is higher.

With the passage of the Live Local Act in 2023, $1.5 billion was committed over the next 10 years for SAIL loans that include special provisions. The loans will be spread out evenly at $150 million each year, with 70% of loans to be dedicated to:

- Redeveloping existing affordable housing, with a requirement that projects follow the “build-first” model to relocate all existing tenants to a new building on-site before redeveloping older buildings
- Urban infill and adaptive reuse housing
- Mixed-use developments
- Housing near military installations, with preference for projects that include social services aimed at servicemembers

The remaining 30% of the loans will be dedicated to:

- Housing utilizing public lands
- Housing aimed at young adults who have aged out of foster care
- Housing for elderly persons
- Housing in rural opportunity areas, as defined by state law

Live Local Tax Donation Program

The Live Local Tax Donation Program allows taxpayers to direct payments to the Florida Housing Finance Corporation for use as SAIL funds in exchange for tax credits against corporate or insurance premium tax liability.

Florida Job Growth Grant Fund

The Florida Job Growth Grant Fund was expanded by the Live Local Act to make proposals for state or local public infrastructure projects that relate to affordable housing eligible for grant funding.

Publicly-Owned Land for Affordable Housing

The Live Local Act updated and reinforced Florida's "surplus land laws," which require all Florida cities and counties to identify publicly owned lands that are appropriate for affordable housing to be placed on an affordable housing land inventory list. The Live Local Act extended these requirements to special dependent districts and also required localities to publish these inventory lists and encourage development on them.

outcomes

According to CoStar News, initially "local governments pushed back, implementing development moratoriums or dragging their feet on building approvals that under the new law were now strictly a matter of administrative routine without public hearings."

The Florida legislature responded with bill amendments in 2024 to "prevent municipalities from restricting projects up to 150% of the currently allowed floor area ratio; provides height protections for single-family neighborhoods; removes parking requirements for transit-oriented developments while reducing parking requirements by 20% for developments within half-a-mile of a transit hub; and added tax exemptions for land and common areas included in developments, not just the residential units. The law now also extends to for-sale condo units, in addition to apartments."

Pushback from local governments has continued, but projects have continued to proceed under aspects of the law. As of October 2024, several cities and counties have opted out of tax exemption for developments, including: Orange, Seminole, Lake, and Osceola counties, and the cities of Orlando and Winter Park.

lessons

Bipartisan support at the scale of the Live Local Act represents a growing sea change in the political will to address affordable housing needs at the state-level. However, local government control continues to be a major hurdle for these types of initiatives. The most hot button issues surround preemption of local land use policies and tax exemption.

The state legislature allowed for localities to opt out of the tax exemption for units affordable to households between 80-120% AMI if they are deemed to have an adequate supply of housing at that level by the Shimberg Center for Housing Studies at the University of Florida.

However, the lessons to be learned from the Live Local Act are still yet to be determined. There are hundreds of localities impacted by the Live Learn Act and localities and developers are still working through the legalities and administration of the act. Preempting local government power can be a significant battle, but the benefits could be worth the fight. Several other states have sought to preempt local land use control in support of affordable housing, with New Jersey's Mount Laurel Doctrine being one of the oldest and most notable cases. Based on a recent study, the doctrine has led to the creation of more than 21,000 affordable homes in historically exclusionary communities since 2015.

georgia

Population: 11.03 MILLION (July 1, 2023, PEP)

Housing Units: 4.54 MILLION (July 1, 2023, PEP)

Employment Level: 4.16 MILLION (March 2024, QCEW Private Employment)

Median Renter Household Income :	**$48,234** (ACS 2023 1-Year)
Median Homeowner Household Income:	**$92,852** (ACS 2022 1-Year)
Average Rent:	**$1,416** (Apartments.com, Dec. 2024)
Median Home Sales Price:	**$326,617** (Zillow Median Sale Price, December 5, 2024)
Local Government Authority:	**Home Rule**
Right-to-Work:	**Yes**
Minimum Wage:	**$5.15/hr**
State Housing Finance Agency:	**Georgia Department of Community Affairs**
State Housing and Community Development Department:	**Georgia Department of Community Affairs**

middle-income housing efforts

Middle-income housing program efforts at the state-level in Georgia have been limited to rural areas of the state. One of the most notable efforts to address middle-income housing in Georgia has been at the local level. The Development Authority of Fulton County, a special authority of the county government created in 1973, approved up to $370 million in federally tax-exempt bonds for the construction of the “Teachers Village Atlanta,” a high-rise mixed-use development targeted for teachers, health care workers, and seniors.

With approximately 470 units, the project will have more than 200 units for households making up to 120% AMI, 40 units for 80% AMI, and the remaining 227 units dedicated to seniors. The project is also leveraging a $4 million Tax Allocation District grant and $26.36 million in tax-exempt bonds from Invest Atlanta.

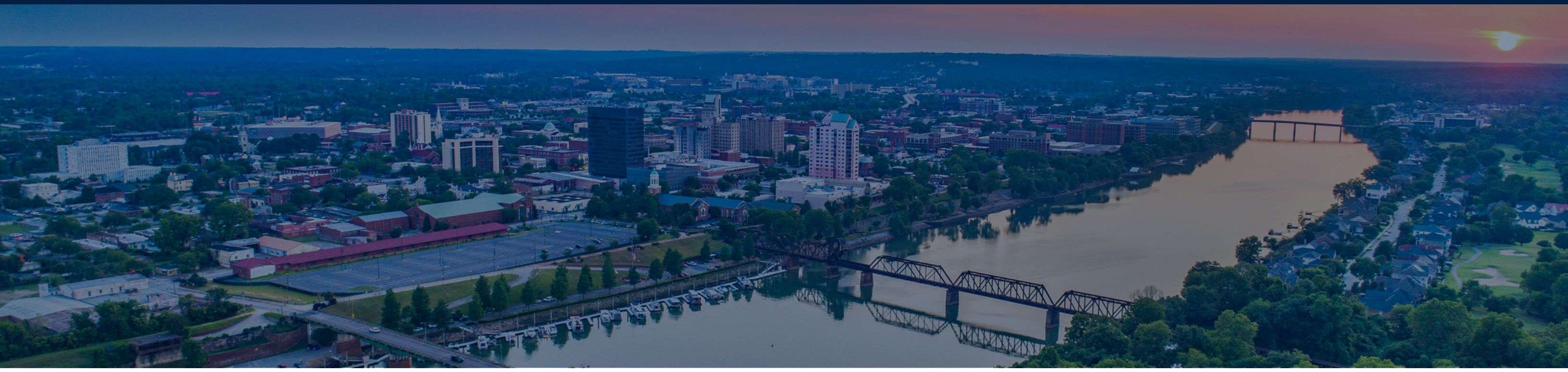
middle-income housing programs in georgia

Rural Workforce Housing Initiative (RWHI)

Administered by OneGeorgia Authority

background

Based on a statewide housing needs assessment conducted between 2021 and 2023, Georgia identified a major shortage of housing development in rural areas of the state. Governor Brian Kemp announced the Rural Workforce Housing Initiative in his 2023 State of the State address and later that year the Georgia General Assembly approved $35.7 million to launch the initiative in the Amended 2023 Fiscal Year.



objectives

The main objective of the RWHI is to incentivize for-sale residential development in the rural areas of the state to address the need for workforce housing. The program supports rental projects with a target AMI up to 100% AMI and sets a sales price limit for homeownership units.

structure

The RWHI is structured as an infrastructure grant and construction finance program administered by OneGeorgia Authority. Funds are awarded through a competitive application process. Applications are scored on their ability to address the following:

- Ongoing workforce housing needs, as identified by a recent housing study;
- Difficulty satisfying workforce needs in communities or regions with low unemployment; or
- A community or regional commitment to expand and improve existing housing stock.

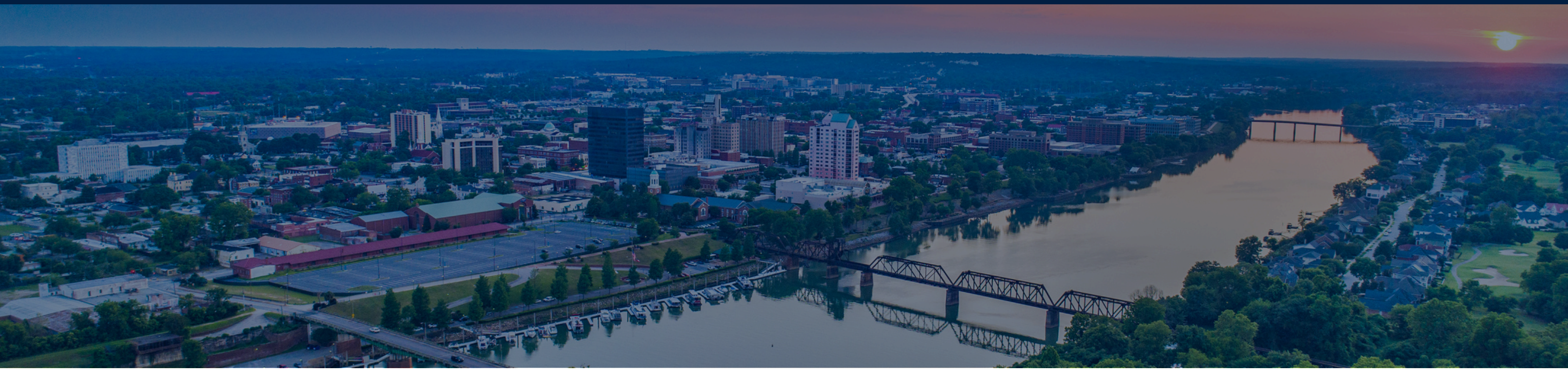
Infrastructure Grants

Infrastructure grants are intended for units of local government or other authorities as the primary applicant. Grants must be intended to support the land and infrastructure development of rental or for-sale housing with a per unit cost between $125,000 and $290,000. For rental development, rents must be affordable to households making 100% AMI for a period of at least 10 years. Rental units must contain at least two bedrooms, and provide essential services, including broadband internet.

Infrastructure grants are limited to no more than $2,500,000 per application and development. Projects must be completed within two years.

Construction Financing

Construction financing is intended for for-sale, single-family homes with a sales price between $125,000 and $290,000. Units of local government are intended to be the primary applicant in partnership with a housing developer partner. Financing is limited to no more than $1,000,000 per applicant and development at 0-3% interest for 24 months. While there are no income limits for homebuyers, the program restricts home prices to below $290,000.



outcomes

The RWHI has demonstrated rapid implementation and significant success since its launch in May 2023. With over $23 million awarded across three funding rounds, the program has supported the creation of approximately 1,023 new homes. The average state grant contribution of $23,000 per unit effectively leverages private investment to provide affordable housing in rural areas. Due to its success, the Georgia Assembly has allocated an additional $55 million to continue the program. The RWHI's efficient use of resources, spread across twelve communities, showcases its effectiveness in addressing rural housing needs and stimulating economic benefits.

lessons

Projects in rural areas benefit significantly from an infusion of funding to support infrastructure development and construction. When funding amounts are scaled to make an impact and can be deployed quickly, the results are apparent. The initial investment and ensuing additional funds have played a key role in the success of the RWHI program.

In Virginia, there are several rural communities that need financial support to complete infrastructure projects and make housing development financially viable. With federal funding largely limited to supporting low-income housing development, there is a need for funds to simply support market-rate development.

north carolina

Population: 10.83 MILLION (July 1, 2023, PEP)

Housing Units: 4.98 MILLION (July 1, 2023, PEP)

Employment Level: 4.14 MILLION (March 2024, QCEW Private Employment)

Median Renter Household Income :	**$48,270** (ACS 2023 1-Year)
Median Homeowner Household Income:	**$86,087** (ACS 2023 1-Year)
Average Rent:	**$1,339** (Apartments.com, Dec.2024)
Median Home Sales Price:	**$328,715** (Zillow Median Sale Price, December 5, 2024)
Local Government Authority:	**Home Rule**
Right-to-Work:	**Yes**
Minimum Wage:	**$7.25/hr**
State Housing Finance Agency:	**North Carolina Housing Finance Agency**
State Housing and Community Development Department:	**None**

middle-income housing efforts

North Carolina state legislators have not elevated middle-income housing issues at the NC General Assembly. As noted by Carolina Forward, an independent, non-partisan, non-partisan policy organization, many pro-housing bills have "stalled for lack of support."

Carolina Forward has been a major driver behind housing issues, including middle-income housing issues, in North Carolina. In December 2023, they released The Middle-Class Housing Plan for North Carolina. While their plan is not explicit in addressing housing for incomes above 80% AMI, Carolina Forward states that "[t]he Middle Class Housing Plan is based on a radical idea: safeguard a viable business model for the construction of more market-rate housing. Then, get out of the way."

The policy proposal focuses on addressing financing and local zoning by:

- Having the State of North Carolina guarantee below-market construction permanent financing for qualifying housing projects;
- With qualifying projects meeting two requirements:
  - A minimum density requirement of 10 dwelling units per acre, and
  - Target annual rent of finished units may not exceed Fair Market Rent (FMR) for the county, as published by HUD
- Allowing for qualifying projects to be eligible to override local permitting restrictions, assuming they are zoned appropriately and connected to utility services.

The North Carolina Workforce Housing Loan Program was established by the NC General Assembly in 2014 is focused on developing LIHTC development in low-income counties and reducing rents in moderate- and high-income counties. The program is not intended for households above federal guidelines, but instead seeks to make low-income multifamily housing more financially viable.

outcomes

North Carolina has no middle-income housing programs with outcomes to highlight.

lessons

With no middle-income housing programs, North Carolina stands in stark contrast compared to Virginia. However, North Carolina ranks 2nd, just behind Virginia, in CNBC's Top States for Business 2024 ranking. Other factors outside of housing may be impacting North Carolina's economic competitiveness. Understanding the economic and policy environment that has led North Carolina to not elevate middle-income housing issues may require additional exploration.

NOTE: In the 50 state scan of middle-income programs, North Carolina is listed as not having any state-level middle-income programs.

south carolina

Population: 5.37 MILLION (July 1, 2023, PEP)

Housing Units: 4.54 MILLION (July 1, 2023, PEP)

Employment Level: 4.16 MILLION (March 2024, QCEW Private Employment)

Median Renter Household Income :	**$42,914** (ACS 2023 1-Year)
Median Homeowner Household Income:	**$80,325** (ACS 2023 1-Year)
Average Rent:	**$1,369** (Apartments.com, Dec. 2024)
Median Home Sales Price:	**$295,769** (Zillow Median Sale Price, December 5, 2024)
Local Government Authority:	Home Rule
Right-to-Work:	Yes
Minimum Wage:	**$7.25/hr**
State Housing Finance Agency:	South Carolina State Housing Finance and Development Authority (SC HOUSING)
State Housing and Community Development Department:	None

middle-income housing efforts

South Carolina legislators have not made significant proposals to address workforce housing issues in the General Assembly. Most workforce housing programs or policies have been implemented at the local level.

middle-income housing programs in south carolina

Accommodation Taxes for Workforce Housing (Act 57)

Signed into law by Governor Henry McMaster

background

Tourism within South Carolina has been a major revenue source for the state and jurisdictions. The first initial bill to collect taxes on transient lodging facilities was passed in 1983. The legislation imposes a 2% tax on all accommodations within the state. The state designated how funds received would be utilized by jurisdictions:

- The first $25,000 to local General Fund;
- The remaining balance after $25,000 to be allocated as follows:
  - 5% to General Fund,
  - 30% to a special fund for advertising and promotion of tourism, and
  - 65% plus interest to a special fund for tourism-related expenditures.

In addition to the state accommodations tax, local jurisdictions are able to collect a local accommodations tax of up to 3%. As with the state tax, the use of revenue is designated by state legislation and has been limited to tourism-related activities.

As the tourism industry has continued to grow, the desire of visitors to make these areas their new home has only grown. This has had major impacts on the real estate market for existing residents and tourist industry workers. Understanding this, Senator Tom Davis (R) introduced Senate Bill 284 with multiple cosponsors from both sides of the aisle.

objectives

The main objective of the Accommodation Taxes for Workforce Housing legislation is to give local jurisdictions a flexible source of funds to develop workforce housing.

Structure

Although South Carolina was ruled a Home Rule state in 1975, jurisdictions still have limits on their taxing authority. In order to utilize accommodations tax revenue towards workforce housing development, enabling legislation was required.

The enabling legislation (Act 57) allows cities and towns across South Carolina to utilize up to 15% of both their state and local accommodation taxes for the development of workforce housing. "Development of workforce housing" is left undefined in the legislation, which provides jurisdictions with broad power. However, "workforce housing" is defined as "housing for rent or sale that is appropriately priced for rent or sale to a person or family whose income falls within thirty percent and one hundred twenty percent of the median income for the local area."

In order to utilize accommodation taxes to develop workforce housing, jurisdictions must first conduct a housing impact analysis and adopt it into their comprehensive plans. The analysis must include information about how the comprehensive plan will address the following:

- the cost of developing, building, rehabilitating, improving, maintaining, or owning single-family or multifamily dwellings;
- the purchase price of new homes or the fair market value of existing homes;
- the cost and availability of financing to purchase or develop housing;
- housing costs; and
- the density, location, setback, size, or height development on a lot, parcel, land division, or subdivision; and
- an analysis of the relative impact of the ordinance on low- and moderate-income households.

outcomes

As of December 2023, several cities were working on housing impact analyses to implement accommodation taxes for workforce housing development. The Town of Hilton Head Island has already completed its housing impact analysis after previously developing a Workforce Housing Framework. Hilton Head Island already is in a public-private partnership to develop workforce housing with OneStreet Residential.

Greenville has recently used $1 million from their tourism revenue, hospitality and accommodations tax to purchase a 2-acre lot for workforce housing.

lessons

The recent nature of this enabling legislation has not provided significant lessons. However, giving local governments broad authority to leverage different revenue sources for workforce housing development provides for increased resources and flexibility. Accommodation taxes for workforce housing development may be most suitable for states with a significant tourism industry.

Virginia's transient occupancy tax varies across the state. However, the Code of Virginia § 58.1-3819 states that:

Unless otherwise provided in this article, for any county that imposes a transient occupancy tax pursuant to this section or an additional transient occupancy tax pursuant to another provision of this article, any excess over five percent, combining the rates of all taxes imposed pursuant to this article, shall not be restricted in its use and may be spent in the same manner as general revenues.

This effectively allows those jurisdictions with a transient occupancy tax over 5% to spend that revenue on workforce housing development. Other tax revenue sources generally have broad limitations on how those funds can be spent and many jurisdictions do utilize tax revenue to support affordable housing efforts.

tennessee

Population: 7.12 MILLION (July 1, 2023, PEP)

Housing Units: 3.19 MILLION (July 1, 2023, PEP)

Employment Level: 2.82 MILLION (March 2024, QCEW Private Employment)

Median Renter Household Income :	**$46,431** (ACS 2023 1-Year)
Median Homeowner Household Income:	**$81,748** (ACS 2023 1-Year)
Average Rent:	**$1,345** (Apartments.com, Dec. 2024)
Median Home Sales Price:	**$319,208** (Zillow Median Sale Price, December 5, 2024)
Local Government Authority:	**Home Rule**
Right-to-Work:	**Yes**
Minimum Wage:	**$7.25/hr**
State Housing Finance Agency:	**Tennessee Housing Development Agency**
State Housing and Community Development Department:	**None**

middle-income housing efforts

There have been no major state legislative efforts to address middle-income housing in Tennessee. Many of the state's most populous cities have adopted home rule charters which gives them broad authority to enact legislation so long as it does not conflict with state law. However, the Tennessee General Assembly retains sole power to modify the taxation power of municipalities.

Generally, cities have been the one to pursue middle-income housing programs, Memphis being the most notable. The City of Memphis launched the Memphis Middle-Income Housing Pilot Program (MI-Pilot) (PDF) in October 2024. The program is an incentive program designed to encourage the development of "missing middle" housing (2-6-unit buildings like duplexes and townhomes) targeting renter and homeownership opportunities for incomes between 80-120% AMI. The program is structured as a grant and loan program.

outcomes

Peer state profiles are focused on state-level initiatives, therefore additional details of the MI-Pilot were not included. Given the recent launch of this program, there are no known outcomes yet. The pilot seeks to provide $1 million in total, with awards being between $50,000 and $500,000.

lessons

Local housing programs are just as important to addressing the need for middle-income housing. Addressing this need by diversifying the housing supply through infill development in major cities is an important strategy to consider.

Streamlining the development process for denser infill can help increase supply in high amenity areas.

NOTE: In the 50 state scan of middle-income programs, Tennessee is listed as not having any state-level middle-income programs.

texas

Population: 30.5 MILLION (July 1, 2023, PEP)
Housing Units: 12.39 MILLION (July 1, 2023, PEP)
Employment Level: 11.78 MILLION (March 2024, QCEW Private Employment)

Median Renter Household Income :	**$52,180** (ACS 2023 1-Year)
Median Homeowner Household Income:	**$96,818** (ACS 2023 1-Year)
Average Rent:	**$1,254** (Apartments.com, Dec. 2024)
Median Home Sales Price:	**$300,267** (Zillow Median Sale Price, December 5, 2024)
Local Government Authority:	Home Rule
Right-to-Work:	Yes
Minimum Wage:	**$7.25/hr**
State Housing Finance Agency:	Texas State Affordable Housing Corporation
State Housing and Community Development Department:	Texas Department of Housing Community Affairs

middle-income housing efforts

In 2023, there were attempts by Texas legislators to create a workforce housing program and a workforce housing capital investment fund. Both bills failed in the 2023 Texas State Legislature. The creation of the fund would have led to a program to support the development of housing affordable to households making up to 120% AMI.

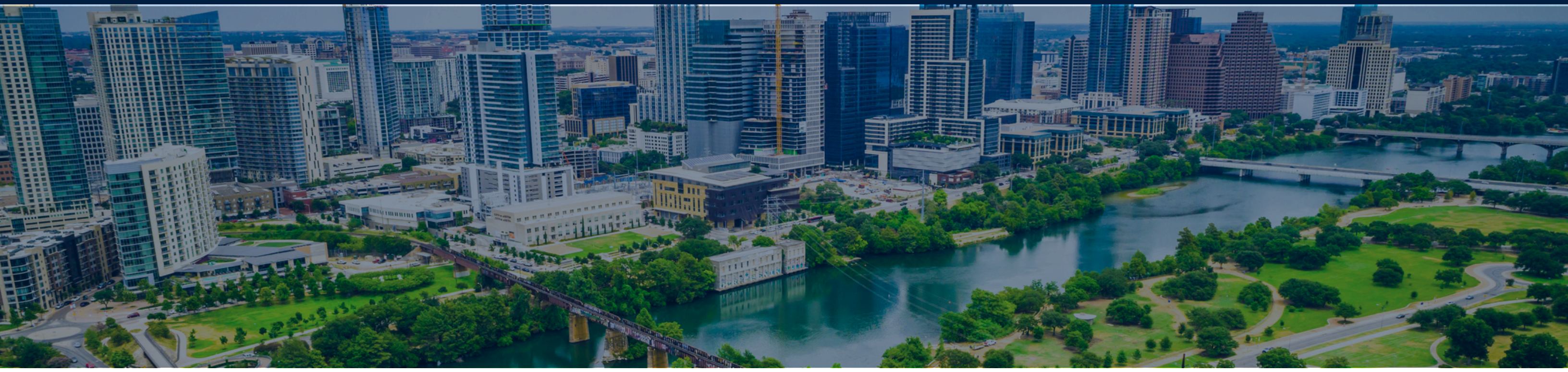
The Texas Workforce Housing Foundation (TWHF) is a Public Facility Corporation (PFC) that develops, acquires, manages, and maintains affordable housing projects with specific focus on creating and advocating for affordable housing options for the Texas workforce. TWHF works to acquire and develop multifamily housing for school district employees, while also providing housing stipends. In addition, they actively partner with school districts to support housing opportunities for teachers and other school personnel. TWHF has also supported programs to address affordable housing for firefighters, EMS, active duty military, and other first responders.

Homes for Texas Heroes and Home Sweet Texas Home Loan Programs

Texas State Affordable Housing Corporation

background

The Homes for Texas Heroes Program was originally created in 2003 through House Bill 1247 as a home loan program for firefighters and law enforcement personnel. The program was later expanded in 2005 to include Texas Department of Criminal Justice employees in hazardous duty pay positions, public school employees, active military, and EMS personnel. In 2013, veterans were added as an eligible profession. In recent years, there has been a push to add other professions to the list of eligible professions, including social workers.



In 2006, TSAHC created the Home Sweet Texas Home Loan Program to serve homebuyers not eligible for the the Homes for Texas Heroes Program. The income limits for both programs were increased from 115% of the area median family income (AMFI) to 125% AMFI in October 2021.

objectives

The objective of the Homes for Texas Heroes Program is to help Texans who serve their communities to receive assistance to purchase a home in their community.

structure

The Homes for Texas Heroes and Home Sweet Texas Home Loan Programs are homebuyer assistance programs administered by the Texas State Affordable Housing Corporation (TSAHC). The programs offer two types of assistance to help homebuyers:

- 30-year fixed rate mortgage with a down payment and closing cost assistance grant equal to 3-5% of the total loan amount;
- First-time homebuyers can apply for a Mortgage Credit Certificate (MCC), reducing their federal income taxes every year by receiving 15% of mortgage interest back as a tax credit.

TSACH funds its mortgage loans and down payment assistance by either issuing mortgage revenue bonds under its statutory authority or by pooling loans on a regular basis and selling the mortgage-backed securities.

The MCC program was established in 2008 to support first-time homebuyers. Through the conversion of single-family mortgage revenue bonds, TSAHC allows homebuyers to take a portion of the annual interest paid on their home loan as a federal income tax credit. However, the standalone program was suspended on November 1, 2023 due to the limited amount of bond funding available.

outcomes

From January 2023 through October 2023, TSAHC has helped 9,922 households with down payment assistance. In 2022, TSAHC's homebuyer programs helped 10,420 households with down payment assistance, an MCC, or both. This was a decrease from 22,726 households in 2021 and 16,325 in 2020. Like many state housing finance agencies, TSAHC has been impacted by the high interest rate environment and overall homebuyer market conditions. In addition, limits on bond funding have led to the suspension of the standalone MCC program.

lessons

The changing nature of the homeownership market can make financial assistance difficult. Grant programs that provide down payment assistance can offer potential homebuyers a leg up in the market, but without ample supply, they are still left to compete with cash buyers. Other types of assistance like MCCs are also impacted by bond funding availability.

The increase in interest rates has resulted in a notable decrease in households served by TSAHC programs. While direct assistance programs are helpful, they are best leveraged when coupled with affordable homeownership supply from nonprofit organizations.

TSAHC also administers the Texas Housing Impact Fund and the Affordable Communities of Texas (ACT) Program. While the Fund has been utilized to help finance affordable homeownership units, the ACT Program helps keep homeownership property affordable in perpetuity through a nonprofit land trust model. Through the ACT Program, TSAHC acts as a statewide land trust in partnership with a local partner and retains ownership of the land after it is sold to a low-income household.

There has been increased attention on community land trusts (CLTs) at the national-level as homeownership continues to escape many households. In Virginia, Maggie Walker Community Land Trust and Piedmont Community Land Trust are two of the most notable CLTs with active pipelines. However, the Virginia Statewide Community Land Trust represents a unique opportunity to scale CLTs to match the demand of homebuyers across the Commonwealth.[3]

3) Disclosure: HousingForward Virginia's staff are provided on contract by HDAdvisors, a private consulting firm. HDAdvisors also provides contracted staff services currently to MWCLT, and to VSCLT in the past.

high production regions

Although the housing supply imbalance is a national trend, there are regions inside the US where housing production outpaces jobs and population growth. Several regions in peer and competitor states have experienced rates of growth in housing, population, and jobs well above most Virginia regions. This research has not examined middle-income housing production specifically, due to time and data constraints. However, if elevated levels of housing production can slow or even reduce housing costs---shifting the lower bounds of market rate housing back towards the median income---the policies that drive that production represent an important tool in making middle-income housing accessible to middle-income households.

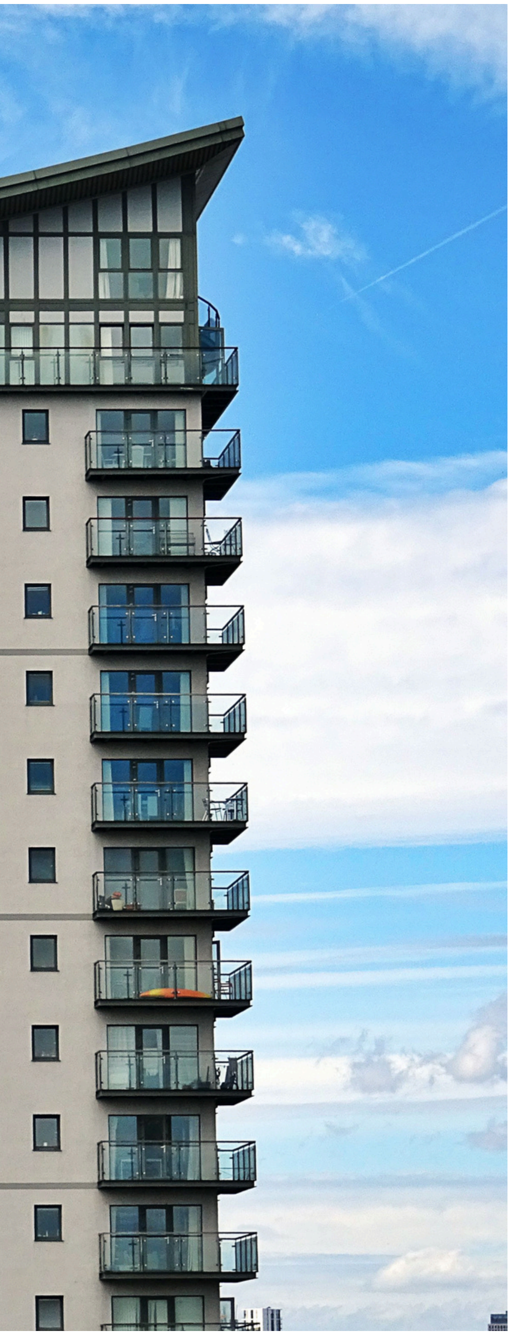
Table 2 below shows regions of interest with recent growth in housing units, population, jobs, and housing permits at least one standard deviation above their 2010 to 2023 average [See Appendix A for methodology]. In most regions, the 1-year change in home prices[4] outpaced 12-month average wage growth, despite high housing production numbers. With the exception of Austin, home prices in these high production regions increased 5% to 15% between 2022 and 2023 and 40% to 60% between 2020 and 2023. There is not an immediate correlation between several years of above average housing production and improving home prices relative to wage growth. Addressing the deficit of housing units accumulated over 15 years may require a sustained increase of housing production.

Homebuilders and stakeholders in some of these regions point to external factors to explain their housing production rather than any middle-income focused policies. HousingForward Virginia staff was able to conduct outreach to eight regional home builders associations to inquire about local or regional policies that have contributed to their higher than average housing production levels. Four associations provided feedback with the general consensus that there have been no specific policy changes that have contributed to housing production growth, rather production levels were related to sheer demand and other external factors.

4) Based on FHFA Home Price Index

Table 2) High Housing Production Regions of Interest

Region Size	Region	Population (2023)	Housing Units (2023)	Permits (2021 to 2023)	Jobs (2023)	3-yr HPI change	2-yr HPI change	1-yr HPI change	1-yr Wage change
4,124,520 to 11,201,756	Dallas-Fort Worth-Arlington, TX	8,100,037	3,172,198	224,661	3,964,285	44%	27%	4.50%	4.60%
4,124,520 to 11,201,756	Atlanta-Sandy Springs-Alpharetta, GA	6,292,404	2,532,518	126,606	2,839,666	48%	30%	7.40%	4.30%
1,544,670 to 4,124,520	Orlando-Kissimmee-Sanford, FL	2,817,933	1,173,647	84,716	1,374,857	49%	32%	8.60%	5.00%
1,544,670 to 4,124,520	Charlotte-Concord-Gastonia, NC-SC	2,805,115	1,190,294	86,757	1,324,099	50%	32%	8.30%	4.90%
1,544,670 to 4,124,520	Austin-Round Rock-Georgetown, TX	2,473,275	1,090,204	132,042	1,249,631	41%	17%	-4.80%	5.40%
1,544,670 to 4,124,520	Nashville-Davidson--Murfreesboro--Franklin, TN	2,076,747	915,309	84,063	1,081,556	47%	29%	5.40%	5.50%
1,544,670 to 4,124,520	Jacksonville, FL	1,713,240	753,919	66,227	743,183	51%	31%	7.20%	5.40%
392,972 to 1,544,670	Raleigh-Cary, NC	1,509,231	639,584	64,658	711,907	49%	31%	5.90%	4.50%
392,972 to 1,544,670	Greenville-Anderson, SC	975,480	430,193	26,532	422,681	46%	32%	9.30%	4.70%
392,972 to 1,544,670	Knoxville, TN	921,583	411,318	17,229	410,534	60%	39%	12.50%	5.40%
392,972 to 1,544,670	Charleston-North Charleston, SC	849,417	386,953	26,346	377,505	50%	33%	10.60%	5.20%
392,972 to 1,544,670	Winston-Salem, NC	695,630	313,791	14,760	270,126	49%	32%	10.80%	4.80%
392,972 to 1,544,670	Durham-Chapel Hill, NC	671,071	301,092	19,502	358,257	48%	32%	8.00%	4.90%
392,972 to 1,544,670	Chattanooga, TN-GA	580,971	258,414	9,770	264,262	52%	33%	10.70%	5.50%
392,972 to 1,544,670	Salisbury, MD-DE	447,390	268,702	15,365	168,244	40%	25%	7.20%	4.40%
Under 392,972	Spartanburg, SC	356,698	147,342	9,077	152,492	51%	34%	11.20%	4.50%
Under 392,972	Wilmington, NC	307,373	156,058	12,804	143,245	55%	38%	14.40%	4.40%
Under 392,972	Winchester, VA-WV	147,260	63,382	3,069	67,389	39%	24%	7.20%	4.00%



All associations communicated a growing recognition of the impact of overregulation on housing supply and some explicitly mentioned that many localities are making attempts to control the growth they have experienced over the past years. Lancaster County, North Carolina has implemented various development moratoriums and increased residential impact fees. Newton County, Georgia has instituted a 2-year housing moratorium.

A contributing factor to higher production in these regions could also be the availability of greenfield development opportunities, when compared to regions like Northern Virginia, Hampton Roads, or Richmond. These areas in Virginia are largely built-out compared to some of the other peer regions with higher growth. A representative from the Home Builders Association of Greater Austin mentioned that much of the residential development in the metro area was taking place through greenfield development in the counties, where they are also seeing the fastest population growth.

National measures of residential construction indicate developers are increasingly building in low-density suburban and exurban areas. The National Association of Home Builders' Home Building Geography Index indicates residential construction in high-density areas has fallen from nearly 40% of the single-family market in 2018 to around 36% from 2022 through 2024.[5] Builders are seeking opportunities to lower development costs.

A separate report from the National Association of Home Builders shows higher concentrations of residential construction labor in or around many of the regions identified in this analysis---particularly in Florida and the Carolinas. The report [6] states, "The residential construction industry is more reliant on labor than capital in the United States." The estimates of labor concentration rely on unemployment insurance reports that may undercount places and industries with higher levels of undocumented immigration. Reports suggest the construction industry of Texas is heavily supported by undocumented labor. [7] Further study may help us to understand the interaction between housing production, the availability of labor, and housing policy more clearly.

5) Wade, Jesse. "HBGI Q3 2024: A New Status Quo for the Geography of Residential Construction?" National Association of Home Builders. Last modified December 3, 2024. Accessed December 5, 2024. https://eyeonhousing.org/2024/12/hbgi-q3-2024-a-new-status-quo-for-the-geography-of-residential-construction/.

6) Fu, Jing. "Where Residential Construction Thrives: Metro Area Hotspots for Jobs and Businesses." National Association of Home Builders. Last modified December 4, 2024. Accessed December 4, 2024. https://eyeonhousing.org/2024/12/where-residential-construction-thrives-metro-area-hotspots-for-jobs-and-businesses/.

7) Julian Aguilar, "Trump's Deportation Vow Alarms Texas Construction Industry," NPR, November 23, 2024, sec. National, accessed December 4, 2024, https://www.npr.org/2024/11/23/g-s1-35465/trump-deportation-migrants-immigrants-texas-construction-industry-border-security.

conclusions

Housing affordability challenges are undeniably expanding to America's middle-income households. In response, many communities are seeking ways to subsidize middle-income housing opportunities from both the supply- and demand-side. However, the long-term impacts of these programs have yet to be determined. Even for those states that have implemented middle-income housing programs decades ago, there have been no known efforts to rigorously investigate the effects of these programs.

There is no "silver bullet" solution to middle-income housing challenges. Florida's Live Local Act represents the most holistic of strategies by addressing both supply- and demand-side issues. Without adequate, affordable supply, homebuyer assistance can be ultimately ineffective. Without developer subsidy, the market may never provide affordable housing in certain communities.

While middle-income housing challenges continue to be a growing concern among elected officials, it should not come at the cost of reduced concern for or investment in low-income housing programs. It has been shown throughout history that the market will not provide for housing affordable to households making below 80% AMI. The policy implications as highlighted by authors of the Joint Center for Housing Studies' "Subsidizing the Middle" study are clear:

It is imperative that existing funding to lower-income housing subsidies is preserved as more attention is called to affordability struggles climbing the income scale. Middle-income housing programs should only ever complement existing policies supporting lower-income renters, and never replace them. Moreover, these policies must be thoughtfully targeted in places where the market truly does not serve middle-income households without incentive or subsidy.

Many middle-income housing issues could more easily be solved by addressing other housing ecosystem issues that do not require subsidy. This could include zoning and other regulatory reform that can make building housing easier and faster, ultimately leading to a lower cost per unit.

appendix a

HousingForward VIRGINIA

Middle Income Housing Programs

State	Program Name	Program Type	AMI Level	Description	Funding	Administrator	Status	Year Established	Link
Alabama	*No programs met the criteria for a state-level middle income housing program at the time of review.*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Alaska	*No programs met the criteria for a state-level middle income housing program at the time of review.*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Arizona	*Arizona is Home*	Homebuyer Assistance	Up to 120% AMI	Arizona is Home is a down payment assistance program for first time home buyers in the State of Arizona. A First-time buyer is defined as someone who has not owned real estate in the last 3 years. The funds can be used for down payment, interest rate buydown, and closing costs related to the purchase of a home. Eligible homebuyers who are at 80% or below Area Median Income (AMI) are eligible to receive up to $30,000 and homebuyers who are between 81% to 120% of AMI are eligible to receive up to $20,000. Assistance is being offered as a silent second mortgage that is due on sale. Homebuyers must attend an 8-hour homebuyer education class and meet one-on-one with a HUD certified Home Ownership Advisor.	$13 million; State Budget	Trellis AZ (Nonprofit)	Implemented	2024	https://azgovernor.gov/office-arizona-governor/news/2024/04/governor-katie-hobbs-announces-13-million-arizona-home-program
Arkansas	*No programs met the criteria for a state-level middle income housing program at the time of review.*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
California	*CSCDA Workforce Housing Program*	Developer Financing	Up to 120% AMI	The CSCDA Community Improvement Authority (CSCDA CIA), an affiliate joint powers authority, acquires public benefit oriented capital projects through the issuance of tax-exempt governmental purpose bonds. Through CSCDA CIA's Workforce Housing Program, government bonds are issued to acquire market-rate apartment buildings. These properties are then converted to income and rent-restricted units for moderate/middle income households, which are generally households earning 80% to 120% of AMI. Annual rent increases are capped at no more than 4%, which is significantly less than the rent limits under AB1482, the recently adopted State tenant protection legislation. Additionally, no existing tenants are displaced under the program.	$65 billion; Bonds	California Statewide Communities Development Authority	Implemented	1988	https://cscda.org/workforce-housing-program/
California	*Density Bonus Law*	Local Mandate	Up to 120% AMI	The California Denisty Bonus Law is a state mandate that entitles a developer who meets the requirements to a density bonus by-right. A project is eligible for a 5% density bonus if 10% of units are sold to persons and families of moderate income. This goes up to a 50% density bonus if 44% of the units are moderate-income units. A project is eligible for a density bonus if 100% of housing units are restricted to a combination of very low-, lower- and moderate-income residents, with a maximum of 20% for moderate income residents.	None	State Legislature	Implemented	1979	https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=65915&lawCode=GOV
California	*Property Tax Welfare Exemption (Amended)*	Real estate tax-exemption	Up to 140%	The California Property Tax Welfare Exemption exempts eligible properties from property taxes, mainly nonprofit affordable housing. Tax savings are intended to be used to maintain affordability or reduce rents. The real estate tax exemption has been established in California since 1944, but a recent amendment sought to allow for higher income households to benefit from the real estate tax exemption. Recent changes allowed for incomes of tenants to increase up to 140% AMI so long as the owner of the property is a community land trust.	None	California State Board of Equalization and Local Assessors	Implemented	2023	https://digitaldemocracy.calmatters.org/bills/ca_202320240ab2897
Connecticut	*No programs met the criteria for a state-level middle income housing program at the time of review.*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Colorado	*Middle-Income Access Program (MIAP)*	Developer Financing	Up to 120% AMI	The Middle-income Access Program (MIAP) is a financing initiative by CHFA Community Development aimed at addressing the housing needs of the "missing middle" - renters with incomes between 80% and 120% of Area Median Income (AMI). MIAP offers construction gap financing and non-recourse permanent debt for acquisition, new construction, and rehabilitation projects. The program provides solutions-oriented underwriting and in-house construction services. Loan origination fee is 1%, with additional fees for inspections and third-party costs. Projects must conform to CHFA Credit Policy, including reserve requirements.	$10+ million	Colorado Housing and Finance Agency	Implemented	2017	https://www.chfainfo.com/rental-housing/multifamily-lending/partnership-middle
Colorado	*Colorado Middle Income Housing Authority*	Developer Financing/Public Enterprise	Up to 120%; 140% in rural resort areas	MIHA is a special purpose authority independent from the state whose purpose is to promote affordable rental housing projects for the middle-income workforce throughout Colorado. MIHA will support middle-income workforce housing by providing financing opportunities for rental units between 80% and 120% AMI, or 140% AMI for rural resort areas. The primary tools offered by MIHA include issuing bonds and entering into public-private partnerships. MIHA has the power to issue bonds to finance affordable rental housing projects or to accomplish any of its powers or duties relating to affordable rental housing projects. The bonds may be payable from any the revenues or assets of MIHA and may be secured by any of MIHA's revenues, assets or property. MIHA's income, property, bonds and interest on MIHA's bonds are exempt from state and local taxation and assessments and its purchase and use of property are exempt from state and local sales and use taxes. MIHA may make payments in lieu of taxes to the state or local governments.	$1 million; Start Up Funding	Colorado Middle Income Housing Authority	Implemented	2022	https://coloradomiha.com/
Colorado	*Middle-Income Housing Tax Credit (MIHTC)*	State LIHTC	Up to 120% AMI	Colorado's Middle Income Housing Tax Credit (MIHTC) was estabilished with House Bill 24-1316 in 2024 as a pilot program. The MIHTC program will support the development of affordable rental housing serving residents with middle income, earning between 80% and 120% of the Area Median Income (AMI), and up to 140% AMI in rural resort counties. MIHTC is the first of its kind in the nation and authorizes CHFA to competitively award $5 million in 2025-2026 and $10 million in 2027-2029.	$15+ million; Tax Credit Allocation	Colorado Housing and Finance Agency	Implemented	2024	https://leg.colorado.gov/bills/hb24-1316
Connecticut	*Build for CT Workforce Housing Program*	Developer Financing	Up to 120% AMI	Build4CT is a middle-income housing program providing subordinate financing that will offer favorable terms and more flexible underwriting to incentivize developers of market rate multifamily properties to create units that are affordable to middle income households. Minimum 20% of unites restricted for 60-120% AMI.	$200 million; Revolving Loan Fund	Connecticut Housing and Finance Agency	Implemented	2023	https://portal.ct.gov/doh/doh/programs/build-4-ct
Delaware	*Delaware Workforce Housing Program*	Grant Fund	100% AMI	The Delaware Workforce Housing Program (DWHP) allows a qualified workforce housing investor to be reimbursed through a grant up to 20 percent of the capital costs associated with workforce housing units they create. To be eligible for a grant, the project must be located in Investment Levels 1 and 2 as established by the Delaware Strategies for State Policies and Spending. A grant may not be awarded for a housing unit that also uses a federal low-income or state low-income housing tax credit	Awaiting appropriation; Estimated over $5 million	Delaware State Housing Agency	Establishing	2024	https://legis.delaware.gov/BillDetail/141265
Florida	*State Apartment Incentive Loan (Florida Keys)*	Developer Financing	Up to 120% of state or local, whichever is greater	The State Apartment Incentive Loan program (SAIL) provides low-interest loans on a competitive basis to affordable housing developers each year. This money often serves to bridge the gap between the development's primary financing and the total cost of the development. SAIL dollars are available to individuals, public entities, not-for-profit or for-profit organizations that propose the construction or substantial rehabilitation of multifamily units affordable to very low income individuals and families. A minimum of 20 percent of the development's units must be set aside for families earning 50 percent or less of the area median income. Developments that use housing credits in conjunction with this program may use a minimum set-aside of 40 percent of the units for residents earning 60 percent of the area median income. Developments in the Florida Keys Area may use a minimum set-aside of 100 percent of the units for residents with annual household incomes below 120 percent of the state or local median income, which ever is higher.	$150 million; State Budget	Florida Housing Finance Corp.	Implemented	1988	https://www.floridahousing.org/programs/developers-multifamily-programs/state-apartment-incentive-loan

HousingForward VIRGINIA

Middle Income Housing Programs

State	Program Name	Program Type	AMI Level	Description	Funding	Administrator	Status	Year Established	Link
Florida	*State Housing Initiatives Partnership (SHIP)*	Grant/Loan Package	Up to 140% AMI	The State Housing Initiatives Partnership (SHIP) provides funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The program was designed to serve very low, low and moderate income families. SHIP funds are distributed on an entitlement basis to all 67 counties and 55 Community Development Block Grant entitlement cities in Florida. The minimum allocation is $350,000. In order to participate, local governments must establish a local housing assistance program by ordinance; develop a local housing assistance plan and housing incentive strategy; amend land development regulations or establish local policies to implement the incentive strategies; form partnerships and combine resources in order to reduce housing costs; and ensure that rent or mortgage payments within the targeted areas do not exceed 30 percent of the area median income limits, unless authorized by the mortgage lender.SHIP dollars may be used to fund emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buy-downs, acquisition of property for affordable housing, matching dollars for federal housing grants and programs, and homeownership counseling. SHIP funds may be used to assist units that meet the standards of chapter 553. A minimum of 65 percent of the funds must be spent on eligible homeownership activities; a minimum of 75 percent of funds must be spent on eligible construction activities; at least 30 percent of the funds must be reserved for very-low income households (up to 50 percent of the area median income or AMI); an additional 30 percent must be reserved for low income households (up to 80 percent of AMI); and the remaining funds may be reserved for households up to 140 percent of AMI. No more than 10 percent of SHIP funds may be used for administrative expenses. Funding for this program was established by the passage of the 1992 William E. Sadowski Affordable Housing Act. Funds are allocated to local governments on a population-based formula.	$174 million; State Budget	Florida Housing Finance Corp.	Implemented	1992	https://www.floridahousing.org/programs/special-programs/ship---state-housing-initiatives-partnership-program
Florida	*Hometown Heroes Program*	Homebuyer Assistance	Up to 150% of state or local, whichever is greater	The Florida Hometown Heros Program provides down payment and closing cost assistance to first-time, income-qualified homebuyers so they can purchase a primary residence in the community in which they work and serve. The Florida Hometown Heroes Loan Program also offers a lower first mortgage interest rate and additional special benefits to those who have served and continue to serve their country. Eligible full-time workforce, employed by a Florida-based employer can receive lower than market interest rates on an FHA, VA, RD, Fannie Mae or Freddie Mac first mortgage, reduced upfront fees, no origination points or discount points and down payment and closing cost assistance. Borrowers can receive up to 5% of the first mortgage loan amount (maximum of $35,000) in down payment and closing cost assistance. Down payment and closing cost assistance is available in the form of a 0%, non-amortizing, 30-year deferred second mortgage. This second mortgage becomes due and payable, in full, upon sale of the property, refinancing of the first mortgage, transfer of deed or if the homeowner no longer occupies the property as his/her primary residence. The Florida Hometown Heroes loan is not forgivable.	$100 million; State Budget	Florida Housing Finance Corporation	Implemented	2023	https://www.floridahousing.org/live-local-act/hometown-heroes-program
Florida	*Live Local Act*	Local Mandate	Up to 120%	Florida's Live Local Act (LLA) includes a statewide preemption of local zoning ordinances to significantly boost development capacity for qualifying mixed-income multifamily development. This landmark bill, widely supported by the Florida Legislature and Florida housing advocates, encourages the development of mixed-income projects with at least 40 percent of all dwelling units designated as affordable for households earning less than 120 percent of area median income (AMI). The LLA imposed two key directives that modify city and county zoning regulations for qualifying projects: (1) allowing for the maximum density (dwelling units per acre) afforded anywhere within the jurisdiction and (2) allowing for maximum height permitted within 1 mile or three stories, whichever is greater.	None	Florida Housing Finance Corp.	Implemented	2023	https://www.floridahousing.org/live-local-act
Florida	*Missing Middle Tax Exemption*	Real estate tax-exemption	Up to 120% AMI	The Newly Constructed Multifamily Project Ad Valorem Tax Exemption (also known as the "missing middle" tax exemption) encourages new or recently constructed market rate multifamily rental developments to offer affordable and workforce units. Interested owners must first apply with Florida Housing to obtain a Multifamily Middle Market certification notice and then with their local property appraiser, by March 1st, to obtain the exemption. Before issuing the Multifamily Middle Market certification notice, Florida Housing will review specific criteria and determine if a certification notice can be issued. While a certificate from Florida Housing is required in order to receive the exemption, it is not a guarantee that an exemption will be issued. The property appraiser will determine eligibility and final issuance of an exemption. For units in qualified properties that serve households with incomes between 80 and 120% of the area median income, an exemption of 75% of the assessed value must be provided.	None	Florida Housing Finance Corporation	Implemented	2023	https://www.floridahousing.org/live-local-act/multifamily-middle-market-certification
Georgia	*Rural Workforce Housing Initiative*	Grant/Loan Package	100% AMI for rentals; specified price range for sales	The Georgia Rural Workforce Housing Initiative (RWHI) is an infrastructure grant and construction loan program. Units of general-purpose local government (e.g., city, county, consolidated government), as well as local, regional, and state authorities, generally in partnership with a housing developer, are eligible to apply. The OneGeorgia Authority will also consider offering loans to private developers, including not-for-profits and community housing development organizations, to further the objectives of this initiative. Infrastructure grants are limited to no more than $2,500,000 per application and development. Construction finance is limited to no more than $1,000,000 per applicant and development. The Authority reserves the right to fund, in whole or in part, any, all, or none of the applications submitted in response to this NOFA. Applications for less than $250,000 will not be accepted; however, the Authority reserves the ability to waive minimum and maximum funding limits at its discretion.	$35.7 million (Seed); $50 million (2024); $6 million (2025)	OneGeorgia Authority	Implemented	2024	https://www.dca.ga.gov/community-economic-development/funding-programs/onegeorgia-authority/equity-fund-rural-workforce
Hawaii	*Teachers Affordable Housing*	Development Fund	Occupation Specific	Senate Bill 941 (Act 172) authorizes the Hawai'i School Facilities Authority to to partner with public and private agencies to develop housing on- or off-campus for teachers, other educators and staff, and to develop classrooms. In addition, the act appropriates funds from the school facilities special fund for the construction of housing.	$170 million	Hawai'i School Facilities Authority	Implemented	2023	https://governor.hawaii.gov/newsroom/office-of-the-governor-news-release-gov-green-enacts-laws-to-enhance-education/
Hawaii	*Kakaako Reserved Housing program*	Local Mandate	Up to 140% AMI	The Kakaako Reserved Housing program requires that at least 20 percent of new residential units, either for sale or for rent, are set aside for low- and moderate- income households. The rental or sales prices for these units are calculated so a household would spend no more than a third of its gross monthly income on housing expenses, making them affordable to Hawaii's working families.	None	Hawai'i Community Development Authority	Implemented	2005	https://dbedt.hawaii.gov/hcda/reserved-housing/
Idaho	*No programs met the criteria for a state-level middle income housing program at the time of review.*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Illinois	*Executive Order 2024-03*	Executive Order	Up to 140% AMI	Informed by a report completed by the Ad-Hoc Missing Middle Housing Solutions Advisory Committee, Governor JB Pritzker issued Executive Order 2024-03 on December 11, 2024, which created an Illinois Director of Housing Solutions. The purpose of the role is to explore and facilitate the implementation of housing solutions to increase the number of homes for households earning between 80-140% AMI. In this role, the Director is to work closely with the Illinois Housing Development Authority (IHDA) and the Illinois Department of Commerce and Economic Opportunity (DCEO). The Director is explicitly tasked with looking at alternative housing construction methods, land bank strategies, technical assistance opportunities, pension fund programs, underutilized state-owned property, and bureaucratic barriers.	None	Governor of Illinois	Implemented	2025	https://www.illinois.gov/government/executive-orders/executive-order.executive-order-number-03.2024.html#:~:text=An%20Illinois%20Director%20of%20Housing,140%25%20of%20area%20median%20income.
Indiana	*Anchor Employer Workforce Housing Program*	Grant Program	Up to 120% AMI	The Indiana Anchor Employer Workforce Housing Program is a state initiative managed by the Indiana Housing and Community Development Authority (IHCDA) that aims to address housing shortages for employees of large "anchor" employers by providing funding to support the development of workforce housing options in their communities, essentially helping these companies attract and retain talent by making housing more accessible to their workforce. A Request for Proposals was issued at the beginning of June 2019, seeking opportunities for partnerships with employers who have been located within a community for a minimum of five years and are among the top 10 employers in that community. IHCDA will co-invest up to $1 million per employer to undertake projects that address the specific workforce housing needs of their community. The four chosen employers are French Lick Resort, Impact CNC, Indiana University Health, and Zimmer Biomet.	$4 million	Indiana Housing and Community Development Authority	Implemented	2019	https://www.in.gov/ihcda/files/ihcda_2019_annual_report_WEB_final_021020.pdf&sa=D&source=editors&ust=1727729548066423&usg=AOvVaw13VJP6GksGXT6ltEco9yR7

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State	Program Name	Program Type	AMI Level	Description	Funding	Administrator	Status	Year Established	Link
Indiana	*Modular Workforce Housing Pilot Program*	Grant Program	Up to 140%	The Indiana Modular Workforce Housing Pilot program provides $1 million for the construction of modular homes on lots that were demolished using Blight Elimination Program funds. Applicants assembled a team consisting of a staff member of the applicant, a representative of the local unit of government, a representative from an Indiana-based modular housing dealer or licensed installer, and a licensed realtor or individual with significant knowledge of the local real estate market. Once the first round of homes is constructed and sold, a revolving loan fund will be created to further help households at 140% of the Area Median Income (AMI) become homeowners. Of 10 responses to a Request for Qualifications, the Affordable Housing & Community Development Corporation and LaCasa, Inc. were each awarded $500,000 to operate the program in Marion and Elkhart cities, respectively.	$1 million; Pilot	Indiana Housing and Community Development Authority	Implemented	2019	https://www.in.gov/ihcda/files/ihcda_2019_annual_report_WEB_final_021020.pdf&sa=D&source=editors&ust=1727729548066423&usg=AOvVaw13VJP6GksGXT6ltEco9yR7
Iowa	*Workforce Housing Tax Credit*	State LIHTC	-	The Iowa Workforce Housing Tax Incentive Program (WHTIP) provides tax benefits to incent the development of housing across Iowa. The program provides a State investment tax credit of up to 10% or 20% of the investment directly related to the construction or rehabilitation of the approved housing project, as well as a refund of the sales, service or use taxes paid during construction.	$37 million; Tax Credit Allocation	Iowa Economic Development Authority	Implemented	2014	https://www.iowaeda.com/workforce-housing-tax-credit/
Kansas	*Moderate Income Housing Program (MIH)*	Grant/Loan Package	Up to 150% AMI	The Kansas Moderate Income Housing (MIH) program serves the needs of moderate-income households that typically don't qualify for federal housing assistance. MIH grants and/or loans are awarded to cities and counties with populations fewer than 60,000 to develop single or multifamily properties for homeownership or rentals. Projects can include new construction, rehabilitation, or conversion from another use.	$3.9 million	Kansas Housing Resources Corporation	Implemented	2020	https://kshousingcorp.org/housing-partners/moderate-income-housing/
Kansas	*Kansas Housing Investor Tax Credit (KHITC)*	State LIHTC	None	The Kansas Housing Investor Tax Credit program is a state initiative that provides tax credits to qualified investors who contribute cash investments towards the development of qualified housing projects in Kansas, aiming to stimulate housing development in areas with inadequate housing by incentivizing private investment in new residential construction or rehabilitation projects; the credit amount varies based on the county population where the project is located. For maximum statewide impact, KHRC limits grants or loans to no more than $650,000 per awardee. Requests for Proposals are released every four months, with applications due three times per year.	$3.8 million	Kansas Housing Resources Corporation and Kansas Department of Revenue	Implemented	2022	https://www.ksrevenue.gov/prtaxcredits-housing.html
Kentucky	*No programs met the criteria for a state-level middle income housing program at the time of review.*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Louisiana	*Keys for Service*	Homebuyer Assistance	Not to exceed an annual household income of $125,000	The Louisiana Keys for Service program is a targeted homebuyer assistance program, where qualified households can receive four percent in down payment and closing costs toward purchasing their home. The program is limited to active, full-time occupations including, law enforcement or emergency response agency, firefighters, licensed paramedics, public safety telecommunicators, teachers of a city, parish, state, or private school board (must hold a Louisiana teacher's certification or possess an advanced degree and/or have shown a commitment to teaching with five years of teaching experience), and employees of hospitals, offices of physicians, pharmacies, drug stores, outpatient care centers, nursing care facilities, and assisted living centers. The maximum annual household income for borrowers is $125,000.	$10 million; Taxable Bonds	Louisiana Housing Corporation	Implemented	2023	https://www.lhc.la.gov/keysforservice
Maine	*No programs met the criteria for a state-level middle income housing program at the time of review.*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Maryland	*No programs met the criteria for a state-level middle income housing program at the time of review.*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Massachusetts	*Workforce Housing Fund*	Developer Financing	Up to 120% AMI	The Massachusetts Middle-Income Housing Fund (also referred to as Workforce Housing Fund) is a program that supports the creation of affordable rental housing for households that earn too much for subsidized housing but are priced out by market rents. The fund provides up to $100,000 in subsidies per unit and can be used for new construction or refinancing of existing housing communities.	$100 million	MassHousing	Implemented	2016	https://www.masshousing.com/developers/workforce-housing
Massachusetts	*CommonWealth Builder*	Grant/Loan Package	Up to 120% AMI	CommonWealth Builder ("CWB") is MassHousing's moderate-income homeownership production program. Under CWB, MassHousing makes grants or forgivable subordinate construction loans to eligible projects that provide deed-restricted affordable homeownership units.	$99.4 million	MassHousing	Implemented	2021	https://www.masshousing.com/developers/commonwealth-builder
Massachusetts	*Workforce Housing Special Tax Assessment*	Real estate tax-exemption	None	Adopted in 2020, Massachusetts's Workforce Housing Special Tax Assessment allows cities or towns to designate a Workforce Housing Special Tax Assessment (WH-STA) zone and adopt a WH-STA plan designed to increase the development of middle-income housing. The special tax assessment provides a full property tax exemption for two years of construction and up to a 75% property tax exemption for the first year of stabilization, 50% for the second year, and 25% for the third year.	None	Local governments	Implemented	2020	https://www.mass.gov/doc/igr-2019-13-property-tax-exemptions-to-promote-economic-development-affordable-housing/download#:~:text=Workforce%20Housing%20Special%20Tax%20Assessment%20(WH-STA)&text=WH-STA%20plans%20may%20authorize,or%20town%20and%20the%20owner.
Michigan	*Missing Middle Housing Program*	Grant Program	Up to 120% AMI	The Missing Middle Housing program ("MMHP") is a housing production program designed to address the lack of attainable housing, particularly for households in the 60%-120% Area Median Income (AMI). The MMHP seeks to increase the supply of workforce housing and these grant funds help by defraying the cost of construction and rehab of both rental and single-family homes. o date, a total of $110 million in American Rescue Plan (ARP) funds from the U.S. Department of Treasury has been dedicated to the Missing Middle Housing Program, all of which was awarded during Rounds 1 and 2. MSHDA is exploring new funding sources and hope to re-open applications in the near future.	$110 million	The Michigan State Housing Development Authority (MSHDA)	On Hold	2023	https://www.michigan.gov/mshda/developers/missing-middle
Minnesota	*Workforce Housing Development Program*	Developer Financing	None	The Minnesota Workforce Housing Development Program is a competitive funding program targets small to medium-sized cities, communities or areas in Greater Minnesota with rental workforce housing needs. Funding is available to build market rate residential rental properties in communities with proven job growth and demand for workforce rental housing. Communities are required to secure funds that match one dollar for every two dollars in funding offered through this program.	$39 million	Minnesota Housing	Implemented	2017	https://www.mnhousing.gov/rental-housing/housing-development-and-capital-programs/workforce-housing.html

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Mississippi	*The Mississippi Employer - Assisted Housing Teacher Program*	Homebuyer Assistance	Occupation Specific	The Mississippi Employer-Assisted Housing Teacher Program is a special home loan program that is available to licensed teachers who render services in geographical areas of the state that are designated by the State Board of Education as having a critical shortage of teachers. A maximum loan amount of $6,000 will be available to eligible teachers to assist in paying closing costs associated with the purchase of a house. Eligible teachers shall include any employee of a school board of a school district who is required by law to obtain a teacher's license from the State Board of Education and who is assigned to an instructional area of work as defined by the State Department of Education the equivalent of a minimum of three (3) normal periods per school day.	None	Mississippi Home Corporation/Mississippi Department of Education	Implemented	2020	https://www.mdek12.org/OSF/AssistedHousingTeacherProgram#:~:text=The%20Mississippi%20Employer%2DAssisted%20Housing%20Teacher%20Program%20is%20a%20special,a%20critical%20shortage%20of%20teachers.
Montana	*Montana Community Reinvestment Plan*	Grant Program	Up to 140% AMI	In 2023, the Montana Legislature passed the Montana Community Reinvestment Plan Act, HB 819, with the purpose “to begin to address housing needs and offer a regional, community-based solution to creating affordable, attainable workforce housing infrastructure in the state.” Section 22 of HB 819 appropriated $1 million to the Department of Commerce to “provide planning grants to local governments and tribal governments for planning and zoning reforms to increase housing supply” and “cover administrative costs of the grant program.” The Montana Department of Commerce (“Commerce”) Community MT Division (“CMT”) will administer the Montana Community Reinvestment Plan Act (“MCR”) Planning Grant Program in accordance with these Guidelines. The Department anticipates providing at least $1,000,000 in planning grants to eligible applicants during the current biennium (State Fiscal Years 2024 and 2025).	$50 million	Montana Department of Commerce	Implemented	2023	https://commerce.mt.gov/About/Boards/Montana-Community-Reinvestment
Nebraska	*Middle Income Workforce Housing Investment Fund*	Grant Program	Per unit cost cap	Established under the Middle Income Workforce Housing Investment Act (LB866, 2020), the Nebraksa Middle Income Workforce Housing Investment Fund (MWHF) supplies matching grants to non-profit development organizations that administer local workforce housing investment funds. MWHF funds are awarded for investment into Nebraska’s older urban and higher-minority neighborhoods in Douglas, Lancaster and Sarpy counties.	$19.25 million; Across two rounds	Nebraska Department of Economic Development	Implemented	2020	https://opportunity.nebraska.gov/programs/housing/mwhf/
Nebraska	*Rural Workforce Housing Fund (RWHF)*	Grant Program	Per unit cost cap	Signed into law in 2017 by Governor Pete Ricketts as part of the Rural Workforce Housing Investment Act (LB518), the Rural Workforce Housing Fund (RWHF) provides competitive matching grants to non-profit development organizations who administer workforce housing investment funds. The funds are invested in eligible projects to increase the supply and reduce the costs of workforce housing in Nebraska’s rural communities. Workforce housing is housing that meets the needs of working families and is attractive to new residents locating in a rural community.	$33 million; State Budget	Nebraska Department of Economic Development	Implemented	2017	https://opportunity.nebraska.gov/programs/housing/rwhf/ & https://opportunity.nebraska.gov/programs/housing/mwhf/
Nebraska	*Workforce Housing Match Programs*	Grant Program	Up to 150%	The Nebraska Investment Finance Authority's (NIFA) Rural Workforce Housing Match Program (RWH) provides match funds to applicants for the Rural Workforce Housing Fund (RWHF). The RWHF is a program that offers competitive matching grants to non-profit organizations to help increase the supply of and reduce the cost of workforce housing in Nebraska's rural areas.	$5 million; NIFA	Nebraska Investment Finance Authority (NIFA)	Implemented	2017	https://www.nifa.org/community-engagement/workforce-housing
Nevada	*No programs met the criteria for a state-level middle income housing program at the time of review.*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
New Hampshire	*Workforce Housing Law*	Local Mandate	Up to 100% AMI (For-Sale)	The workforce housing ordinance requires a 25% set-aside of workforce housing units, along with a 30-year restrictive covenant for affordability. If an owner-occupied unit is not held by the owner for the full 30 years, then the 30-year restriction recommences with the new owner. An owner who remains with the home for the full 30-year time period may sell the property at full market value at the expiration of the covenant. Multi-family developments are allowed in the AR, CO-2, PZ and SI zones at a density of 12 units an acre. Within the AR and PZ zones, the maximum number of units allowed per building is limited to 12; with no limitations on units per building in the CO-2 and SI Zones. In the RA and GR zones, owner-occupied developments are allowed for up to four-unit buildings. Single-family lots can be reduced to one-third of the required minimum lot area and frontage. NH Department of Environmental Services’ septic loading criteria determines allowable density.	None	New Hampshire Department of Business and Economic Affairs	Implemented	2008	https://www.nheconomy.com/investnh-housing
New Jersey	*Workforce Housing Program*	Developer Financing	Up to 120% AMI	The Workforce Housing Program (WHP) is a $50 million program established within the Affordable Housing Production Fund. For the first time, there will be a dedicated state program to incentivize the creation of deed-restricted apartments for middle-income residents earning between 80% and 120% of Area Median Income. Further, this program will ensure that these units are being developed within municipalities with more jobs than housing units or are near public transit options, which will protect middle-income New Jerseyans from surging rents while connecting them with reliable transportation and increased job opportunities.	$50 million; State Budget	New Jersey Housing and Mortgage Finance Agency (HMFA)	Implemented	October 2023	https://www.nj.gov/dca/hmfa/about/pressreleases/2023/approved/20231019.shtml
New Mexico	*The Opportunity Enterprise Housing Development Program*	Developer Financing	Up to 300% AMI	The Opportunity Enterprise Housing Development Program will provide low-cost financing for the development of both rental and homeownership workforce housing, as well as infrastructure financing for traditional affordable housing projects. The first round of funding will make $30 million available, with the remainder of the $125 million available in subsequent funding rounds	$125 million	New Mexico Finance Authority (NMFA)	Implemented	September 2024	https://www.governor.state.nm.us/2024/09/04/governor-announces-launch-of-workforce-housing-program/
New York	*Middle Income Housing Program (MIHP)*	Developer Financing	Up to 130% AMI	The Middle Income Housing Program (MHIP) provides supplemental funding to developments that include a component of units that will be occupied by households earning up to 130 percent of Area Median Income (AMI). Resources will go to projects in areas that serve three goals: housing opportunity, revitalization, and stabilization. Outside of a Qualified Census Tract (QCT), a project must be able to achieve rents that are affordable to households with incomes of up to 80 percent AMI in order to access MIHP. Middle Income Housing Program is offered two New York State Homes and Community Renewal (NYS HCR) programs: New Construction Program (NCP) and Supportive Housing Opportunity Program (SHOP). In New York City, Westchester, Nassau, Suffolk, projects can receive up to $140,000 per housing unit with a household income limit above 60 percent AMI and up to 130 percent AMI. In the rest of state, projects can receive up to $95,000 per housing unit with a household income limit above 60 percent AMI and up to 130 percent AMI.	$12 million	New York State Homes and Community Renewal	Implemented	2015	https://hcr.ny.gov/system/files/documents/2024/07/2024-hcr-middle-income-housing-program-term-sheet.pdf
New York	*Small Building Participation Loan Program*	Developer Financing	Up to 120% AMI	The Small Building Participation Loan Program, also overseen by NYS HCR, provides gap financing for qualified housing developers for projects with units affordable to households with incomes up to 120% of AMI, where the average target rent affordability does not surpass 80% of AMI. 15 This gap financing is specifically for acquisition costs, capital costs, and soft costs related to preserving, improving, or constructing rental properties with five to 50 units. The properties must be located outside of New York City. In particular, the program targets small buildings in medium-density neighborhoods with affordable rents and aims to make strategic investments in rural communities.	$12 million	New York State Homes and Community Renewal			https://hcr.ny.gov/system/files/documents/2024/10/sbplp-oct-24-term-sheet-lender-addendum.pdf

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State	Program Name	Program Type	AMI Level	Description	Funding	Administrator	Status	Year Established	Link
New York	*Mitchell-Lama Program*	Incentive Package	Varies	The Mitchell-Lama program has subsidized the construction of 269 developments, with over 105,000 apartments for middle-income households. In exchange for low-interest mortgage loans and real property tax exemptions, the Mitchell-Lama program limited profits and placed income limits on tenants or cooperative owners. The program also required ongoing supervision by the agency originally sponsoring the development of the project, either the New York City Department of Housing Preservation and Development (HPD) or New York State Homes and Community Renewal (HCR). Beginning in 1977 (after New York City's fiscal crisis in the 1970s), the New York City Housing Development Corporation (HDC) and the Federal Housing Administration (FHA) refinanced many of the City's Mitchell-Lama portfolio. By 1980, HDC had refinanced projects containing 29,000 units and thereby reduced New York City's debt burden. Developments were eligible to withdraw or buy out from the program after 20 years, upon prepayment of the mortgage, or after 35 years in the case of developments aided by loans prior to May 1, 1959. Owners may choose to buy out of the Mitchell-Lama program by prepaying the existing mortgage in order to have the ability to re-sell their projects at market rates. When owners buy out, their buildings are no longer subject to HCR or HPD Mitchell-Lama regulation, and apartments need not be kept affordable for moderate-income households (rent regulation for rental projects built before 1974 remains in effect, as do the regulatory requirements of tax relief or other programs). State agencies, including the Housing Finance Agency (HFA), Empire State Development Corporation (ESD), and HCR, have collaborated to identify State Mitchell-Lama housing companies to participate in mortgage refinancings, which generate funds for capital improvements and property upgrades.	$250 million	New York State Homes and Community Renewal	Implemented	1955	https://hcr.ny.gov/mitchell-lama-program
New York	*Long Island Workforce Housing Act*	Local Mandate	Up to 130% AMI	The Long Island Workforce Housing Act was implemented in 2008 to make homeownership more affordable for the workforce in Nassau and Suffolk Counties. The act requires housing developers in Nassau and Suffolk Counties to set aside 10 percent of their housing units as affordable housing in approved developments with five or more units in exchange for local government authorization to exceed existing residential density maximum2 levels. Developers can build the affordable housing units in the approved development or in another development located in the local government, or can choose to pay a fee in lieu of constructing the affordable units. These fees are then used by the local government to construct affordable workforce housing, acquire land for the purpose of providing affordable workforce housing or rehabilitate structures for the purpose of providing affordable workforce housing.	None	Local governments within Nassau or Suffolk counties	Implemented	2005	https://www.nysenate.gov/legislation/laws/GMU/A16-A
North Carolina	*No programs met the criteria for a state-level middle income housing program at the time of review.*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
North Dakota	*Rural-Workforce Initiative to Support Housing (R-WISH)*	Developer Financing	Market-rate	The R-WISH pilot will support rural communities of 20,000 residents or less with construction of market rate housing for workforce when a company is locating or expanding its operations. To qualify, the community must be experiencing a period of rapid growth due to a new company locating in the community or a local company expanding by more than 10 full-time equivalent employees. Funds may be used for new multi-family and 1-4 family housing projects or the rehabilitation of existing multi-family and 1-4 family housing if it is more cost-effective than new construction.	$10 million; Bank of North Dakota	Bank of North Dakota	Implemented	June 26, 2024	https://bnd.nd.gov/industrial-commission-approves-workforce-housing-pilot/
North Dakota	*Rural Workforce Housing Grant*	Grant Program	None	The North Dakota Rural Workforce Housing Grant is a program designed to support the development and improvement of affordable housing options for the workforce in rural communities within North Dakota, funded primarily through state appropriations allocated by the North Dakota Department of Commerce, allowing non-profit organizations and local governments to apply for funding to develop new housing or rehabilitate existing structures to address workforce housing needs in rural areas; often including a requirement for local community and business participation to leverage the grant funds effectively.	$20 million; State Budget	North Dakota Department of Commerce	Implemented	2023	https://www.nd.gov/living-nd/main-street-nd/rural-workforce-housing-grant
Ohio	*Single-Family Tax Credit Program*	State Homeownership Tax Credit	Up to 120% AMI	The Single Family Tax Credit program leverages public-private partnerships to increase the inventory of affordable, single-family housing for Ohio's growing workforce. The program provides $50 million a year for four years to fill the financing gap to develop or substantially rehabilitate housing in Ohio. Proposed projects may receive up to $50,000 in tax credits per dwelling. The tax credits may be claimed upon completion of the project. Each dwelling in a development project must be sold to a qualified buyer who will use it as their primary residence. The sale price of the house must be affordable (i.e., no more than 30% of the qualified buyer's monthly income). Additionally, each dwelling in the project must remain affordable for 10 years after the initial sale.	$200 million	Ohio Housing Finance Agency	Implemented		https://ohiohome.org/singlefamilytaxcredit.aspx
Oklahoma	*Workforce Housing Pilot Program (WHPP)*	Development Fund (Financing)	60 to 120% AMI	The Oklahoma Workforce Housing Pilot Program (WHPP) was designed as a way to offer additional affordable housing options for residents in Oklahoma and Tulsa Counties, OHFA's new Workforce Housing Pilot Program is now accepting financing applications. Workforce housing benefits residents making between 60 and 120 percent of the Area Median Income. The status of the pilot is unknown.	$8 million	Oklahoma Housing Finance Agency	Implemented	2018	https://content.govdelivery.com/accounts/OKOHFANEWS/bulletins/1f3b462
Oregon	*Agriculture Workforce Housing Tax Credit*	State LIHTC	Occupation Specific	The Agriculture Workforce Housing Tax Credit (AWHTC) Program is designed to give a state income tax credit to investors who incur costs to construct, install, acquire, or rehabilitate agriculture workforce housing. The tax credit may be taken on 50% of the eligible costs actually paid or incurred to complete a farmworker housing project.	$1.67 million	Oregon Housing and Community Services	Implemented	2001	https://www.oregon.gov/ohcs/development/pages/agriculture-workforce-housing.aspx
Pennsylvania	*No programs met the criteria for a state-level middle income housing program at the time of review.*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Rhode Island	*Workforce Housing Innovation Challenge*	Developer Financing	Up to 120% AMI	The "Workforce Housing Innovation Challenge" in Rhode Island is a loan program administered by the Rhode Island Housing agency (RIHousing) designed to financially support the development of rental housing units specifically aimed at households earning between 80% and 120% of the Area Median Income (AMI), essentially targeting middle-income earners who may struggle to afford market-rate housing but don't qualify for traditional affordable housing options; it essentially aims to increase the availability of "workforce housing" in the state.	$15 million; Over two rounds	Rhode Island Housing	Implemented	2021	https://www.rihousing.com/wp-content/uploads/RFP_Workforce-Housing_Program-Guidelines_FINAL.pdf
South Carolina	*Accommodation Taxes for Workforce Housing*	Enabling Legislation	Up to 120% AMI	The South Carolina State Legislature enabled localities to utilize a portion of their accommodation tax revenue towards the development of workforce housing. In addition, the same legislation also enabled localities the ability ot issue bonds for workforce housing.	None	Local jurisdictions	Implemented	2024	https://www.scstatehouse.gov/sess125_2023-2024/bills/284.htm
South Dakota	*No programs met the criteria for a state-level middle income housing program at the time of review.*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Tennessee	*No programs met the criteria for a state-level middle income housing program at the time of review.*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

HousingForward VIRGINIA

Middle Income Housing Programs

State	Program Name	Program Type	AMI Level	Description	Funding	Administrator	Status	Year Established	Link
Texas	*Homes for Texas Heroes Loan Program*	Homebuyer Assistance	Up to 125% of Area Median Family Income, or up to 140% in Targeted Areas	The Homes for Texas Heroes Program is a homebuyer assistance program for specific occupations in the State of Texas. The program assists the these particular professions with down payment assistance and fixed rate home loans. These professions include: Professional educators, which includes the following full-time positions in a public school district: school teachers, teacher aides, school librarians, school counselors, and school nurses; First Responders, which includes police officers, firefighters and EMS personnel; Public security officers; Veterans or active military; Correction officers and juvenile corrections officers; and, Nursing faculty and allied health faculty.	Portion of TSAHC's share (10%) of Texas' annual Private Activity Bond allocation or sale of mortgage securities	Texas State Affordable Housing Corporation	Implemented	2003	https://www.tsahc.org/homebuyers-renters/homes-for-texas-heroes-program
Texas	*Home Sweet Texas Home Loan Program*	Homebuyer Assistance	Up to 125% of Area Median Family Income, or up to 140% in Targeted Areas	The Home Sweet Texas Home Loan program was created in 2006 to offer homebuyer assistance to households that do not qualify for the Homes for Texas Heroes Loan Program. The program offers down payment assistance with a 30-year fixed rate mortgage from TSAHC. The income limits were increased to 125% AMFI in October 2021.	Portion of TSAHC's share (10%) of Texas' annual Private Activity Bond allocation or sale of mortgage securities	Texas State Affordable Housing Corporation	Implemented	2006	https://www.tsahc.org/homebuyers-renters/home-sweet-texas-home-loan-program
Utah	*No programs met the criteria for a state-level middle income housing program at the time of review.*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Vermont	*Rental Revolving Loan Fund (RRLF)*	Developer Financing	Up to 150%	The Rental Revolving Loan Fund (RRLF) was created as part of Vermont's Housing Made for Everyone (HOME) Act, which was signed into law on June 5, 2023. The Act created RRLF to incentivize the creation and preservation of rental housing for middle-income households earning between 65%-150% of the Area Median Income (AMI). The program provides developers and builders with a subordinate loan for up to 35% of the development cost per rental unit for middle-income households.	$10 million; State Budget	Vermont Housing Finance Agency	Implemented	2023	https://vhfa.org/rentalhousing/developers/rrlf
Vermont	*Middle-Income Housing Homeownership Development Program*	Grant/Loan Package	Up to 150%	The Missing Middle-Income Homeownership Development Program will provide financial incentives and resources to support the construction or rehabilitation of homes for purchase by Vermont households earning 120% of the area median income (AMI) or less. The program includes two components: 1. Construction Guarantee that will provide construction loan guarantees for up to 15% of the development costs for program eligible homes. 2. Development Subsidy that provides up to 35% of development costs for program eligible homes.	$24 million; Federal ARPA and State Budget	Vermont Housing Finance Agency	Implemented	2022	https://vhfa.org/rentalhousing/developers/middle-income-homeownership-development-program
Virginia	*Economic Development Workforce Housing Incentive Pilot Program*	Grant Program	Up to 120% AMI	Developed with feedback from staff of Virginia Housing and the Virginia Department of Housing and Community Development, the Economic Development Workforce Housing Incentive Pilot Program is designed to make the Commission's footprint more attractive for economic development by directly addressing a major concern of expanding employers: insufficient housing for their workforce. The program takes advantage of the Commission's ability to offer innovative solutions to the challenges Southern and Southwest Virginia are facing and will allow Commission funds to serve as a catalyst, bringing together public and private sector partners to address workforce housing needs.	$2 million	Virginia Tobacco Region Revitalization Commission	Implemented	2024	https://revitalizeva.org/economic-development-workforce-housing-incentive-pilot-program/
Virginia	*Virginia Housing Workforce Housing Investment Program*	Grant/Loan Package	Up to 120% AMI	The Workforce Housing Investment Program is structured as a grant or loan subsidy program. Awards are available in regions with a recent economic development project announcements bringing in new residents requiring affordable housing options for both rental and homeownership. These include expansions of current employers as well as those new to the locality. At the completion of development, new housing units would be available and affordable to households making between 80-120% of the Area Median Income. Awards of up to $3 million will be available to communities within a 30-minute drive of a new or expanding business where a qualified job announcement was made within the previous fiscal year. Up to $5 million can be made available for transformational projects of 500 new jobs or more.	$75 million, over five years	Virginia Housing	Implemented	2024	https://www.virginiahousing.com/partners/housing-partners/workforce-housing-investment-program
Virginia	*Virginia Pooled Financing Program*	Developer Financing	Market-rate	Virginia Resources Authority was granted the ability to finance the production or preservation of housing in 2023 through SB1401/HB1805. VRA currently finances housing development through their Virginia Pooled Financing Program (VPFP). VPFP is a general municipal pool program that provides Virginia local governments with efficient public debt market access to finance or refinance essential projects at competitive interest rates. Through the VPFP, VRA sells municipal bonds and then loans the proceeds to local governments, which benefit from VRA's strong credit ratings, competitive interest rates, and straightforward application process. The VPFP offers loan structuring flexibility, while allowing localities to finance or refinance multiple different project types through a single transaction. The VRA team manages all aspects of the bond issuance process and guides applicants to and after loan closing. There are no established income restrictions for housing developed with VRA loan funds. The preferred minimum loan amount is $1 to $2 million.	Based on municipal bond sales	Virginia Resources Authority	Implemented	2023	https://www.virginiaresources.gov/program/virginia-pooled-financing-program/
Washington	*Multi-Family Housing Tax Exemption Program*	Real estate tax-exemption	Market-rate	Begun in 1995, Washington's Multi-Family Housing Tax Exemption Program is a statewide program designed to encourage private multifamily housing development and rehabilitation to accommodate population growth. In 2021, the program was changed to focus more on affordable housing than middle-income housing. The program differs from one local jurisdiction to another but generally includes three options for exemptions. An eight-year exemption is available for market-rate housing projects that provide other public benefits. Twelve- and 20-year exemptions require a certain percentage of housing to be affordable to low- and moderate-income households.		Washington Department of Commerce	Implemented	1995	
West Virginia	*Build WV Act*	Incentive Package	None	Passed in the 2022 Legislative Session, the BUILD WV Act aims to assist West Virginia's growing communities in attracting much-needed housing development projects. The credit offers a State Sales and Use Tax exemption for building materials and a 10-year property value adjustment refundable tax credit to offset building costs. West Virginia is one of the fastest growing in-bound states, and the demand for new, residential properties has never been higher. The West Virginia Department of Economic Development (WVDED) oversees the program and reviews all applications. A non-refundable application fee of $5,000 is required to apply. Projects must apply and be approved prior to the completion of construction.	$40 million maximum approved costs for all projects in any fiscal year	West Virginia Department of Economic Development	Implemented	2022	https://westvirginia.gov/build-wv-act/
Wisconsin	*Rural Affordable Workforce Housing Initiative*	Developer Financing	Up to 120% AMI	WHEDA's Rural Affordable Workforce Housing Initiative is a partnership-driven effort to address complex and evolving factors that are contributing to a shortage of affordable housing in rural Wisconsin. WHEDA has committed $10 million to the initiative, which includes: A pilot effort that will use adaptive, collaborative techniques to identify rural needs, evaluate choices, and implement scalable solutions; and Supplemental financing tools designed to overcome technical funding challenges and better serve rural communities throughout Wisconsin	$10 million	Wisconsin Housing and Economic Development Authority	Implemented	2020	https://www.wheda.com/globalassets/documents/workforce-housing/december-2022-report-out.pdf
Wyoming	*No programs met the criteria for a state-level middle income housing program at the time of review.*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

appendix b: high production region methodology

Regions of interest were identified by examining population, jobs, housing unit, housing permit, and housing price trends between 2010 and 2023. County-level summaries of each data element[1] were gathered and summarized at a regional level[2]. From the regional time series, each region's annual count of housing units, population, jobs, and building permits was assigned a z-score, or a standardization that places each value in the context of the mean between 2010 and 2023. We identified an initial list of regions to examine within five size groups (partitioned using a k-means clustering algorithm) by removing regions whose average z-score between 2021 and 2023 fell at or below 1.0. Each region needed to show its count of population, housing units, jobs, and building permits in 2021, 2022, and 2023 was on average at least one standard deviation above the 2010 to 2023 mean. This narrowed the total regions from 922 to 131.

From the list of 131 regions, 18 were chosen to examine in greater detail. Nine of the regions were identified in a previous[3] analysis of economic competitiveness, and another nine were chosen to ensure representation from each size region and to ensure specific regions of interest were examined. None of the largest regions (over 11.2 million in population) met the criteria for inclusion.

This list is not comprehensive. Some regions that have demonstrated high housing production and home price contraction were not included based on distance --- physical, political, or economic --- from Virginia.

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[1] QCEW data from BLS; Housing Unit and Population data from the Population Estimates Program at the U.S. Census; Building Permits from the Building Permits Survey at the U.S. Census; Housing Price Index from the Federal Housing Finance Agency.

[2] Office of Management and Budget, "2020 Standards for Delineating Core Based Statistical Areas" (Office of the Federal Register, National Archives and Records Administration, July 16, 2021), accessed November 18, 2024, https://www.federalregister.gov/documents/2021/07/16/2021-15159/2020-standards-for-delineating-core-based-statistical-areas.

[3] Virginia Housing, Virginia Department of Housing and Community Development, and Virginia Economic Development Partnership. "Housing Competitiveness Report [Working Paper]," September 4, 2024.