



## Fair Housing Strategies

Housing prices across the country are on the rise. Low-income communities and communities of color that once struggled with disrepair and disinvestment are now fighting for their right to stay— rent increases and evictions are pushing out long term residents. What strategies can we use to preserve affordability and expand housing choices for residents of modest means? What strategies can we employ to create and protect economically and culturally diverse neighborhoods?

This table is a non-comprehensive guide to the “**Both/And**” approach to Affirmatively Furthering Fair Housing.

**BOTH** investments in low-income neighborhoods that help prevent displacement, **AND** policies to remove exclusionary zoning and increase housing choices, are needed to create strong communities where everyone can thrive.

### Type 1: Improve and stabilize low-income neighborhoods while protecting against displacement

How do we keep existing renters in their homes and preserve affordable housing?

<b>Tenant Protections</b>	<b>Just Cause Eviction Protection</b>	Regulations that require owners to have just cause to evict tenants, protecting against no-cause eviction and retaliation for asserting tenant rights. <ul style="list-style-type: none"> <li>Eviction allowed for material breach of rental agreement (e.g. nonpayment of rent)</li> </ul>
	<b>Price/Rent Control</b>	Regulations that cap the rate at which owners can increase rental prices over a period of time, protecting tenants from de facto eviction. <ul style="list-style-type: none"> <li>Can be annual or multi-year percentage cap</li> </ul>
<b>Tenant Opportunity to Purchase</b>	<b>Right of First Refusal</b>	Requirement giving tenants the right to purchase rental unit before the owner puts it on the market, or to match the offer of a potential buyer. <ul style="list-style-type: none"> <li>Can apply to individual units in condo conversions or entire multi-family buildings</li> </ul>
	<b>Cooperative Ownership</b>	When a building's residents become shareholders in a corporation owning the building they live in. <ul style="list-style-type: none"> <li>Used to convert multi-family rental housing to resident-controlled home ownership</li> </ul>
<b>Purchase/ Refinance of Rental Housing</b>	<b>Acquisition/ Rehabilitation</b>	Programs that allow local nonprofits to purchase and rehabilitate multi-family rental properties. <ul style="list-style-type: none"> <li>Nonprofits can maintain the property as rental or convert to cooperative ownership</li> </ul>
	<b>Term-Extension of Affordability Restrictions</b>	Programs that extend terms of affordability on rental properties through additional investment. <ul style="list-style-type: none"> <li>Typically include refinancing options</li> </ul>

## Type 1: Improve and stabilize low-income neighborhoods while protecting against displacement (*continued*)

### How do we help low-income homeowners afford and maintain their property?

<b>Need-Based Assistance</b>	<b>Loans, Grants and Volunteer Rehab</b>	<p>Assistance or financing with favorable terms provided by nonprofits or public agencies so owners can make health and safety upgrades.</p> <ul style="list-style-type: none"> <li>E.g., low- to no-interest loans, deferred payments, loan forgiveness or grants, and time-limited tax abatements</li> <li>Nonprofit volunteer home rehab programs (Rebuilding Together and local affiliates)</li> </ul>
	<b>Short-term Emergency Assistance</b>	<p>Loan programs designed to help homeowners facing financial hardship from losing their homes.</p> <ul style="list-style-type: none"> <li>E.g. Homeowners' Emergency Mortgage Assistance Program (HEMAP)</li> </ul>
<b>Foreclosure Intervention</b>	<b>Counseling and Credit Repair</b>	<p>Programs that offer advice to and advocacy in support of homeowners facing foreclosure.</p> <ul style="list-style-type: none"> <li>Counselors can serve as intermediaries with banks, assist with budgets, manage finances and help repair low credit scores</li> </ul>
	<b>Mortgage Purchase or Modification</b>	<p>Programs that assist homeowners by modifying mortgage terms with lenders, such as new interest or payment terms or purchase and resale.</p> <ul style="list-style-type: none"> <li>E.g., Home Affordable Modification Program (HAMP)</li> </ul>

### How can we use vacant or distressed properties to preserve affordability?

<b>Land Banks and Property Rehabilitation</b>	<b>Land Banking</b>	<p>Nonprofit or public entities with legal authority to acquire and remediate blighted properties.</p> <ul style="list-style-type: none"> <li>Entity acts as broker to repurpose land for best use (e.g., affordable housing, parks)</li> <li>Can include public or private brownfields redevelopment programs</li> </ul>
	<b>Code Enforcement</b>	<p>Equitable enforcement of building codes protects tenant health and prevents condemnation.</p> <ul style="list-style-type: none"> <li>Policies should protect against rent increases due to cost of code compliance</li> </ul>

## Type 2: Policies to Improve Housing Choice, Mobility and Opportunity

How do we help lower income families become homeowners and build equity?

<b>Homebuyer Assistance Programs</b>	<b>Housing Counseling and Education</b>	<p>Programs that offer advice to prospective buyers to improve odds of buying and staying in a home.</p> <ul style="list-style-type: none"> <li>• Counseling on downpayment savings planning, credit repair and mortgage risks</li> </ul>
	<b>Downpayment Assistance</b>	<p>Programs that help homebuyers pay their downpayment and closing costs.</p> <ul style="list-style-type: none"> <li>• E.g., low- or no-interest loans, deferred payment options, and variable terms</li> <li>• Can also include Individual Development Accounts, i.e., matched savings accounts</li> </ul>
<b>Shared Equity Homeownership Models</b>	<b>Limited Equity Cooperatives</b>	<p>Nonprofit cooperative ownership where residents and nonprofit each share partial ownership.</p> <ul style="list-style-type: none"> <li>• Subsequent purchasers must meet income eligibility requirements</li> </ul>
	<b>Community Land Trusts (CLTs)</b>	<p>Nonprofits that acquire land for public benefit, selling the units to lower-income families while retaining land under a long-term lease to maintain affordability and steward units for future owners</p> <ul style="list-style-type: none"> <li>• Land can be held in trust in perpetuity</li> </ul>
	<b>Deed Restricted Housing</b>	<p>Policies that attach resale restrictions to deeds to maintain affordability over specific time period.</p> <ul style="list-style-type: none"> <li>• Buyers must meet income eligibility requirements and agree to limited equity</li> </ul>
	<b>Shared Appreciation Loans</b>	<p>Programs that utilize a second mortgage with no- or low-interest, payable upon sale.</p> <ul style="list-style-type: none"> <li>• Resale is at market value, with portion of appreciation going to owner and nonprofit to maintain affordability for future owner</li> </ul>

## Type 2: Policies to Improve Housing Choice, Mobility and Opportunity (continued)

How do we facilitate housing mobility and choice for lower-income residents?

<p><b>Increase Housing Supply in Opportunity Neighborhoods</b></p>	<p><b>Inclusionary Housing Policies</b></p>	<p>Policies that leverage market-rate development to create new below-market-rate homes either within same development or off-site.</p> <ul style="list-style-type: none"> <li>• Can be customized to local context and targeted to specific household income level</li> <li>• In-lieu fee can generate revenue for off-site affordable housing production (but policy should prioritize on-site production if goal is to develop mixed-income housing)</li> </ul>
<p><b>Assessment of Fair Housing Process</b></p>	<p><b>Community Participation and Enforcement</b></p>	<p>The Assessment of Fair Housing is a HUD required study to determine barriers to fair housing choice and actions to overcome barriers</p> <ul style="list-style-type: none"> <li>• Fair Housing Act violations can be based on a disparate impact to protected classes (unintended or indirect disadvantage to a group defined by race, color, national origin, religion, sex, disability or family status). The AFH must tackle both disparate impact and direct discrimination.</li> </ul>
<p><b>Prevention of Direct Discrimination</b></p>	<p><b>Prevent Discrimination against Protected Classes</b></p>	<p>Actions to uncover and remediate unlawful housing discrimination</p> <ul style="list-style-type: none"> <li>• Fair Housing “testers,” challenges to expulsive zoning and racial covenants, meaningful and targeted notice of housing opportunities, education for property owners and landlords, enforcement actions</li> </ul>
	<p><b>Prohibit Source of Income Discrimination</b></p>	<p>Laws to prevent owners from refusing to rent based on applicant’s source of income.</p> <ul style="list-style-type: none"> <li>• E.g., Section 8 (or other Housing Choice) vouchers, Social Security, disability, unemployment or veterans benefits</li> </ul>

## Type 3: Policies to Generate and Manage Resources for Fair Housing Investments

<b>Value Recapture Opportunities</b>	<b>Development Impact Fees and Linkage Fees</b>	<p>Fees assessed on new residential or commercial development to mitigate need for workforce housing associated with new development.</p> <ul style="list-style-type: none"> <li>E.g., Housing Development Impact Fee or Commercial Development Fee (both based on nexus study of new development)</li> </ul>
	<b>Tax Increment Financing (TIF) Districts</b>	<p>Revenue generated by borrowing against projected increased property tax collection in redevelopment (urban renewal) areas.</p> <ul style="list-style-type: none"> <li>All or a portion of TIF can be set aside for affordable housing production and rehab</li> <li><i>TIF can contribute to gentrification if not paired with other anti-displacement tools</i></li> </ul>
	<b>Community Benefits Districts</b>	<p>Fees assessed (often voluntarily) on local property owners or businesses in public investment areas to capture and reinvest portion of real estate profits.</p> <ul style="list-style-type: none"> <li>Can be used to pay for community benefits including affordable housing development</li> </ul>
	<b>Community Benefits Agreements</b>	<p>Contracts between developers and community groups requiring specific terms in exchange for local support and/or planning approvals.</p> <ul style="list-style-type: none"> <li>E.g., conditions to mitigate impacts of project, workforce training, local hiring targets, and affordable housing investment</li> </ul>
<b>Publicly Generated Revenue</b>	<b>Taxes, Fees and Bonds</b>	<p>Common sources of funding for housing investments include Real Estate Transfer Tax, Document Recording Fee, Property Tax Levies, Hotel Occupancy Tax and Bond Revenue</p>
<b>Revenue Management</b>	<b>Housing Trust Funds</b>	<p>Distinct fund that receives ongoing dedicated public funding to support preservation and production of affordable housing.</p> <ul style="list-style-type: none"> <li>Legislation typically identifies sources, uses and entity responsible for administration</li> <li>Can be customized to local context and targeted to specific household income level</li> <li>Investments can prioritize mixed-income housing and/or development in high opportunity areas, i.e., safe neighborhoods close to jobs, transportation, good schools</li> </ul>