

Overview

Habitat for Humanity believes that everyone deserves a decent place to live. **Safe, secure and affordable homes provide the foundation for success** in so many aspects of our lives, including our health, job possibilities and children’s educational achievement. They are vital to successful local economies and form the bedrock of strong, thriving communities.

Affordable homeownership provides a critical platform for unlocking these outcomes. We are stronger as a nation when everyone has a fair chance to achieve the security that homeownership provides and the opportunity to build wealth and a better future for oneself and one’s family.

But record-high home prices are pushing the dream of homeownership out of reach for millions of Americans. Deep disparities in homeownership persist for Black, Latino and Native American households. Rural and economically disinvested communities continue to lack access to affordable mortgages and home repair loans. And new threats jeopardize the ability of homeowners to hold on to their homeownership.

As a nation, **we need new solutions and a deeper commitment to making lasting, affordable homeownership attainable for all** — no matter what your skin color is, how much you earn, where you come from or where you live.

Habitat’s national policy platform presents actionable public policy strategies for getting us to this vision. It is built around three pillars that will be critical to success:

- Increasing affordable homeownership **supply**.
- Ensuring equitable homeownership **access**.
- Improving homeownership **resilience**.

Under each pillar are policy strategies that can be tailored to urban, suburban and rural settings. Habitat affiliated organizations, partners and policymakers can select those policy strategies most responsive to local needs and political contexts.

An overarching theme throughout the platform is **ensuring fair and inclusive opportunity**. Habitat knows that quality of life improves for everyone when all of us have equitable opportunities for homeownership. Recognizing this, we seek policy solutions that lower barriers impacting specific populations; prevent unequal harms; and ensure diverse, impacted communities have a voice in the policymaking process.

Habitat cannot build our way to this vision ourselves. But by lending our voices to workable policy solutions at all levels of government, we can multiply our efforts to put homeownership within reach of millions more Americans of all backgrounds.

As Habitat deepens our commitment to advocacy through Habitat Voices in Action, we stand ready to work with partners at all levels of government to advance the policy solutions detailed below.

Implementing policy solutions that address all three pillars of this platform — supply, access and resilience — we can help more students succeed, improve health outcomes, stabilize distressed neighborhoods, enable businesses to recruit and retain essential workers, close racial and economic wealth divides, strengthen our economy, and better position all communities to thrive.

Affordable homeownership supply

A decade of fast-rising home prices has pushed homeownership out of reach for millions of low- and moderate-income renters. High prices are being driven primarily by the record low supply of homes for sale, particularly modestly priced, entry-level (“starter”) homes. The U.S. is short an estimated 800,000 homes that are affordable and available to low- and moderate-income homebuyers. This shortage stems from years of underbuilding and rising building costs and is a major barrier to homeownership for low- and middle-income families, especially homebuyers of color. Habitat for Humanity supports the following public policy strategies for lowering costs and improving the feasibility of building and rehabilitating affordable starter homes to expand homeownership opportunities for modest-income households of all backgrounds.

Invest in affordable home construction and preservation

Policymakers at all levels of government have a role to play in reducing the shortage of homes for low- and moderate-income homebuyers. Helpful approaches include:

- Investing in housing-supportive infrastructure, particularly in rural communities.
- Expanding affordable construction financing.
- Creating tax credits, grants and housing trust funds to spur construction and rehabilitation of affordable homes in both distressed and thriving markets.
- Providing financial assistance to close affordability gaps for lower-income homebuyers.
- Improving the efficiency and usability of existing federal housing supply programs.

Improve access to land and properties for affordable home builders

Affordable housing providers struggle to access properties when competing with deep-pocketed investors and luxury builders. Governments can help overcome this barrier by:

- Prioritizing access to publicly held properties for nonprofit affordable housing providers.
- Creating low-cost property acquisition funds.
- Using tax credits to incentivize owners to sell their homes to nonprofit housing providers.
- Providing tenants and their partners a first-right for purchasing their rental properties.

Reduce zoning barriers to affordable homes

Overly restrictive zoning requirements and lengthy approvals make it virtually impossible to build starter homes for homeownership. They drive up costs while entrenching racial and economic segregation and excluding low-income households from communities with opportunities. Governments can make it easier to build affordable homes in all communities by such means as:

- Lowering minimum home and lot sizes.
- Easing zoning restrictions for developments with affordable homes.
- Enabling attached housing (like duplexes and triplexes) in more types of neighborhoods.
- Providing zoning flexibility for affordable housing on land owned by religious institutions and schools.
- Expediting approvals and environmental reviews for affordable housing.
- Providing state and federal incentives to encourage localities to improve their zoning.

As localities undertake zoning reforms, it is also important that they consider what complementary measures will be needed to ensure equitable zoning outcomes, including measures to prevent displacement and planning processes that actively engage historically excluded communities.

Reduce taxes and fees for affordable homebuilding

Governments can further lower development costs for affordable homes by:

- Reducing permit and impact fees for smaller and dedicated affordable homes.
- Reducing property taxes during the development stage.
- Lowering sales taxes on building materials.

Support lasting affordability models

Preserving the affordability of homes from one buyer to the next stretches public investment in affordable homeownership to reach many more families. It also helps ensure we're not losing affordable homes as we seek to expand overall supply. Governments should look at ways to support lasting affordability for new and rehabilitated affordable homes. One helpful approach would be to create set-aside funding for housing providers using shared equity models.

Equitable homeownership access

Everyone deserves a fair chance to purchase a home, build wealth and secure their family's future. But this is not yet a reality in the U.S. Despite recent progress, less than half of all Black and Hispanic households and just 56% of Native households own their own home, compared with nearly three quarters of white households. Access to decent and affordable homes remains limited in rural areas and in communities experiencing persistent poverty, leaving millions more low-income households out of rising economic prosperity. Habitat for Humanity supports the following public policy strategies to provide more equitable access to credit and help make the dream of homeownership attainable for all.

Lower specific barriers faced by Black homebuyers and other homebuyers of color

Too many Americans face distinct challenges attaining homeownership that are the legacy of decades of racially exclusionary policies, discriminatory practices, and demolition of communities of color during urban renewal and highway construction. One consequence is that homebuyers of color, on average, have less access to family wealth for a down payment, possess higher levels of student and other debt, and have lower credit scores. These present formidable barriers to homeownership.

Lawmakers must help lower these barriers by:

- Expanding down payment assistance and matched savings for first-generation homebuyers.
- Expanding lending to lower-income homebuyers in communities of color.
- Removing inequities in mortgage underwriting and credit scoring.
- Promoting fair and unbiased home appraisals.
- Investing in debt reduction programs.
- Expanding financial coaching and counseling.

Expand mortgage lending in rural areas, Native lands and areas of persistent poverty

Lenders continue to leave behind families in rural and economically distressed communities, particularly where property values are low, incomes are low, and homes need substantial renovation. Needed solutions include:

- Strengthening and customizing mortgage lending programs for rural communities.
- Closing the "appraisal gap" that discourages lending in distressed neighborhoods.
- Incentivizing small-dollar mortgages for lower-priced homes.

Improve the usability of housing choice vouchers for homeownership

The federal government's \$30 billion housing voucher program is an under-tapped opportunity for expanding access to affordable homeownership for very low-income families and veterans. Reduced administrative burdens and new public/private partnerships would help more households transition their vouchers from rental housing to homeownership. Doing so would help many more low-income families — not just landlords — build wealth.

Target state and federal tax credits to better address homeownership needs

Several of our state and federal homeownership tax incentives no longer expand homeownership access or benefit those they were intended to serve, despite their enormous expense. Worse, they drive up home prices. States and the federal government need to reassess their tax policies and use tax policy to increase affordable homeownership opportunities for low- and moderate-income families left out of the market. This could bring in tremendous new resources and a wide array of real estate partners to the task of expanding homeownership opportunities for all.

Homeownership resilience

Helping families retain their homes and homeownership pays enormous dividends. It benefits family stability, children's education, community well-being and the overall economy. It is a crucial element for making progress on closing racial and ethnic gaps in homeownership and wealth. But threats to homeownership today are wide-ranging, including extreme storms, spiking insurance premiums, rising property taxes and critical home repair needs. Our nation will be strengthened by addressing these threats. Habitat for Humanity supports the following public policy strategies for ensuring homeowners of all backgrounds can retain their homes, equitably build wealth and pass that wealth down to future generations.

Help low-income homeowners make necessary home repairs

Owner-occupied homes need an estimated \$98 billion in repairs, according to a national study by the Federal Reserve Bank of Philadelphia. Repair needs are most prevalent among homes owned or occupied by low-income households. Urgent repair issues and health hazards threaten the well-being and safety of occupants and undermine the ability of lower-income homeowners to age in place and maintain homeownership. Governments at all levels can help by investing in programs that help low-income homeowners address critical repairs and make needed safety and accessibility modifications so that they can retain their home and asset.

Provide property tax relief for low-income homeowners

Localities and states can further stabilize homeowners by keeping property taxes manageable as homeowners age and communities change. Helpful approaches include:

- Lowering property taxes for homes with lasting affordability requirements to reflect the ceiling on their resale price.
- Enacting property tax "circuit breakers" or deferrals for homeowners of all ages.
- Extending eligibility to "heirs' property" owners so that they also can benefit.

Keep homeowner's insurance affordable and available

Extreme weather events are damaging homes in growing numbers of states. Insurers have reacted by dramatically raising insurance premiums and even canceling coverage or leaving states. Low-income homeowners and homebuyers can least afford these spikes in costs. Tackling this massive challenge will require partnership and creative thinking among the insurance industry, governments at all levels, and housing providers. One place to start would be to enable lower insurance rates for homes built and fortified with storm-resilient materials.

Fortify homes and enable climate resilience

Storm damage and spiking energy bills jeopardize homeownership. Governments at all levels can help by funding affordable home fortification programs and ensuring equitable access to new state and federal financial assistance for energy efficiency upgrades and solar technologies. This includes partnering with nonprofit service providers and taking other steps to ensure new energy resources reach lower-income and disadvantaged communities.

Enable intergenerational home and wealth retention

All families should have equal opportunities to pass down homes and build intergenerational wealth. But when a homeowner dies without a will or the title is otherwise unclear, heirs can face great difficulty establishing their legal ownership of the property, exposing them to threats that undermine retention of their home and family wealth and often disqualifying them from home repair programs, property tax relief and foreclosure prevention assistance. “Heirs’ property” challenges disproportionately, though not exclusively, impact Black families, undercutting efforts to close racial homeownership and wealth gaps. Promising, emerging solutions include making the probate process easier and more affordable and funding affordable estate planning services to address the issue upstream. Also, governments at all levels need to reexamine and reform programs that allow the government to seize a home when a program beneficiary dies with outstanding debts.

Additional issues of importance to Habitat

Addressing needs across the housing continuum

Local Habitat affiliates serve communities experiencing a wide range of housing challenges. Depending on the community, these can include homelessness, unsafe apartments, skyrocketing rents, unjust evictions and landlords refusing to rent to households with housing choice vouchers. Rental cost burdens have reached an all-time high nationwide, undermining housing stability and the ability of families to save for homeownership. While we see particular need for solutions that broaden and secure access to affordable homeownership, Habitat will continue to support public policy solutions across the full housing continuum.

Supporting the nonprofit sector

Nonprofit affordable housing providers such as Habitat for Humanity organizations are critical players in increasing and preserving the supply of quality, affordable and accessible housing for rent and ownership in communities across the nation. Habitat will support public policies that ensure a positive enabling environment at all levels so that nonprofit affordable housing providers can continue to pursue and achieve their missions.

Taking global action on inadequate housing and informal settlements

Habitat for Humanity works to address essential housing needs in more than 70 countries around the world, including advocating to remove barriers to accessing adequate and affordable housing.

Globally, 1.1 billion people are living in informal settlements and 2.8 billion are living in inadequate housing. In a rapidly urbanizing world, Habitat for Humanity calls on leaders across the United States to gain a deeper understanding of adequate housing and informal settlements.

The U.S. government is a leader in global development but has not prioritized adequate housing in its global development programs. Habitat for Humanity encourages the U.S. government to include housing as a priority in its global development programs, with particular attention to the diverse needs of the most vulnerable populations. In doing so, policymakers can more deeply impact clear U.S. priorities related to economic growth, health, education and climate change.

