

## Financial Incentives May Alleviate Affordable Housing Crisis

Eric DeBear and Madeline Shay Williams co-authored a Law360 article on the significance of financial incentives as a government tool to address affordable housing. The national crisis has spurred significant policy attention following Vice President Kamala Harris' recent set of proposals. In addition to zoning reform's potential impact on increasing the housing supply, as previously reviewed, financial incentives can prove to be powerful.

Some resources for developers are tax incentives and abatements, as well as direct funding sources. Various tax policies have been created at the federal, state, and local levels to incentivize affordable housing and investment in challenging markets. The most popular federal program is the low-income housing tax credit, which offers tax credits to developers to generate equity investments through the sale of credits to private investors. State and local governments also offer tax abatement programs, which reduce or eliminate property taxes for qualifying developments. While these programs can facilitate affordable housing projects, they often require additional financial support to be effective. Governments also provide direct funding sources for affordable housing through housing trust funds, multifamily housing bonds, block grants, and the sale of publicly owned land at below-market rates.

Financial assistance for renters and homeowners is also significant when addressing the affordable housing crisis. Renters can benefit from programs like the Section 8 Housing Choice Voucher program, which is geared toward extremely low-income households, and state-level initiatives like Maryland's rental assistance voucher program. Inclusionary zoning programs require developers to allocate a portion of units for low-income households. For homeowners, federal programs like the Housing Choice Voucher program assist low-income, first-time buyers, and initiatives like California's Foreclosure Intervention Housing Preservation Program aim to prevent foreclosures and preserve affordable housing. A comprehensive approach that includes financial incentives, direct funding, and rental support is essential when tackling the multifaceted issue of housing affordability.

To read more, [click here](#).

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