



# **HFA's:** THE CENTER OF THE **AFFORDABLE HOUSING SYSTEM**



# STATE HFAs CAN DO EVEN MORE WITH SMART FEDERAL POLICIES

HFAs are pushing Congress and the Administration to make housing more affordable in four key areas in 2025:

## Tax Policy

In the tax bill expected to pass this year, Congress should expand tax-exempt Housing Bonds and Housing Credits. Housing Bonds provide lower-cost mortgage loans for homeownership and rental housing. Housing Credits are the primary incentive for affordable apartment construction. Both policies are well established, highly effective, and supported by many members of both parties. Congress should also create a new tax incentive for starter home building, modeled on the Housing Credit program.

## Spending Policy

As Congress looks for opportunities to reduce federal spending, it should ensure proven programs that cut housing costs for working families and economically vulnerable individuals remain funded. The HOME housing block grant is an efficient, all-purpose tool run at the state and local levels. Federal rental housing assistance supports the viability of thousands of apartment properties operated by the private sector and community-based groups. Project-Based Rental Assistance administered state by state, usually by the HFA, is another critical resource for housing stability.

## Regulatory Reform

Congress and the federal government have many opportunities to make housing more affordable and free up affordable home building and apartment construction by reducing burdensome federal rules. Underutilized federal land and buildings can support new housing with regulatory relief as well, with HFAs providing additional financing.

## Housing Finance

The Federal Housing Administration, Rural Housing Service, and housing Government Sponsored Enterprises ensure affordable financing is widely available for home buyers and builders. State HFAs play essential roles enabling them to reach underserved markets, such as rural communities throughout the country. These kinds of partnerships can and should be expanded.

For more information on NCSHA's requests of Congress, visit [ncsha.org](https://ncsha.org).



# STATE HFAs ARE THE CENTER OF THE AFFORDABLE HOUSING SYSTEM



**For decades, state housing finance agencies (HFAs) have operated at the center of America's affordable housing system.**

Each state created its HFA to meet its specific housing needs as they change over time and to do so in an efficient and accountable manner.

State HFAs don't rely on the taxpayers to fund their operations: They put their own balance sheets and financial tools to work to meet the housing needs of their states' rural, suburban, and urban communities.

State HFAs have delivered more than \$800 billion in financing to make possible the purchase, development, and rehabilitation of more than 8.3 million affordable homes and rental apartments for low- and middle-income households.

State HFAs are also indispensable partners of the federal government in meeting national housing challenges — working with both parties and any administration with the same practical, results-based approach.

Federal policymakers have several important opportunities to make progress on the nation's worsening housing affordability challenges by leveraging the capacity and expertise of state HFAs.

**This report describes how.**

## 2023 STATE HFA IMPACT

MORE THAN  
**\$38**  
BILLION  
FINANCED

MORE THAN  
**\$15.3**  
BILLION  
FINANCED

MORE THAN  
**133,000**  
HOUSEHOLDS

NEARLY  
**170,000**  
HOUSEHOLDS

**Homeownership**

**Rental Housing**





# STATE HFAs ARE MEETING THE NATION'S HOUSING AFFORDABILITY CHALLENGES

State HFAs make affordable housing a new reality for more than 300,000 households every year. Working in every state in the country, the agencies are:

## Expanding Affordable Homeownership Opportunities

In 2023, state HFA programs provided more than \$38 billion to more than 133,000 home buyers, including affordable mortgages, down payment assistance, and education and counseling.

The median income of an HFA-financed home buyer is less than \$75,000 – more than 30 percent below the national median for all home buyers. Their average home price is \$235,000 – less than half of the national average. Nine in 10 HFA-supported owners are first-time home buyers.

## Increasing and Preserving Affordable Rental Housing

State HFAs provided more than \$15.3 billion in financing to create and preserve nearly 170,000 affordable rental apartments in 2023.

Eighty-five percent of HFA-financed apartments serve households earning 60 percent of their area's median income or less. The main HFA-administered rental assistance program supports renters with an average income of \$13,500. The federal Low-Income Housing Tax Credit (LIHTC) program, administered in 53 states and territories by the HFA, serves mostly extremely low-income people and drives apartment development across the country.

## Meeting New Housing Challenges in Their States

States in every part of the country and all points on the political spectrum have made historic investments in housing over the past few years, typically turning to their state HFAs to stand up new programs and deliver results for their states' taxpayers.

State HFAs are also problem solvers for home builders, apartment developers, and community-based organizations struggling with the costs of excessive local regulations, higher interest rates, skyrocketing insurance costs, and persistent construction labor shortages.

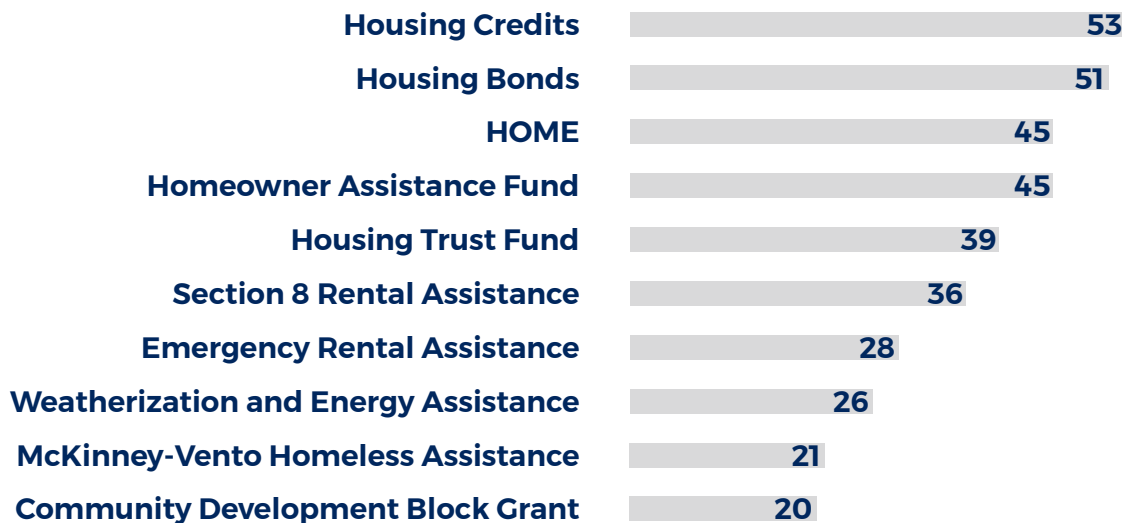


# STATE HFAs DELIVER VALUE FOR THEIR STATES AND THE NATION

## Delivering Key Federal Housing Resources to Meet State-Specific Needs

State HFAs' capacity and performance have earned the agencies the primary responsibility for delivering an array of federal housing programs in their respective states.

### Number of State HFAs Administering Select Federal Programs\*

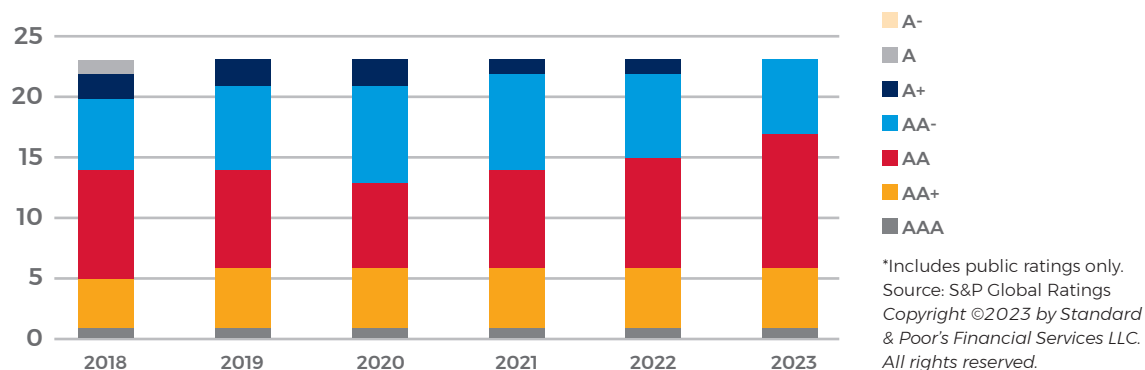


*\*Totals include the HFAs of the 50 states, District of Columbia, Guam, New York City, Northern Mariana Islands, Puerto Rico, and U.S. Virgin Islands.*

## Operationally Strong and Ready to Do More

S&P Global Ratings has rated HFAs highly throughout the past five years.

### State HFA Bond Ratings,\* 2018 – 2023





# ABOUT THE NATIONAL COUNCIL OF STATE HOUSING AGENCIES

For more than 50 years, state housing finance agencies (HFAs) have played a central role in the nation's affordable housing system, delivering financing to make possible the purchase, development, and rehabilitation of affordable homes and rental apartments for low- and middle-income households.

The National Council of State Housing Agencies (NCSHA) is a nonprofit, nonpartisan organization created to advance, through advocacy and education, the efforts of the nation's state HFAs and their partners to provide affordable housing to those who need it.

**NCSHA's vision: An affordably housed nation.**



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