

America's municipal housing directors say that cities are struggling to meet the housing needs of low-income working families and that federal and state governments are not doing enough to support local efforts to ensure housing opportunities in their community.²

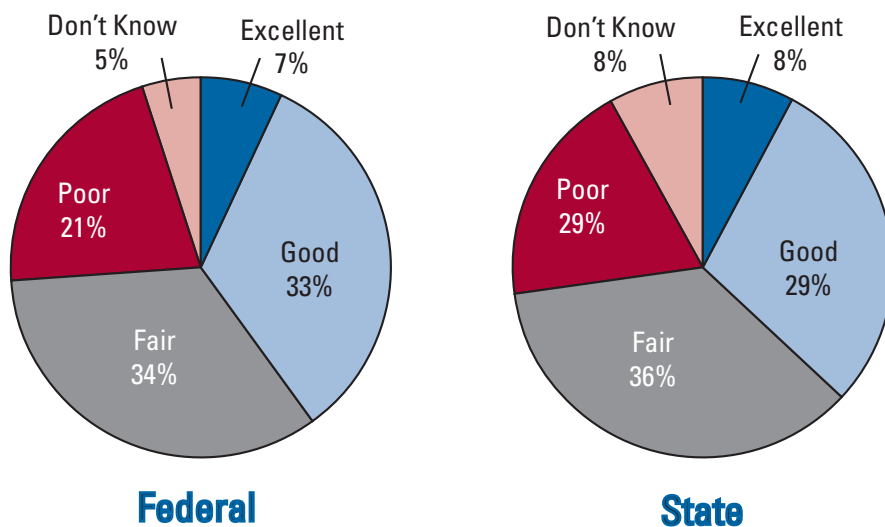
In the National League of Cities' State of America's Cities Survey on Municipal Housing, nearly seven in ten (68%) local housing directors say that lower-income working families have the most critical housing needs in their community. Although most report that federal (81%) and state (63%) assistance is very important to their city's ability to provide housing for these and other residents, about 75% say that the federal and state governments are not doing enough to support local efforts.

State of America's Cities Survey on Municipal Housing

Critical Housing Needs

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FIGURE 1 Rating of federal and state support of local housing policies



Among other important findings, municipal housing directors say that:

- Providing housing is a *big priority* (37%) or *somewhat of a priority* (48%) for their city;
- City activities prioritized above housing include infrastructure maintenance and improvements (68%), improving local economic conditions (66%), improving local fiscal conditions (57%), and stimulating the vitality of downtown (52%).

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² In this brief, all respondents are referred to as "municipal housing directors." Some cities may not have a housing director, in which case the survey was completed by other city staff with housing responsibilities such as the city manager, community development director, or in some cases, the mayor. Additionally, in this brief we use "city" and "municipality" interchangeably to refer to local jurisdictions including cities, towns, and villages.

- Housing is connected to these other priorities, including community development and/or redevelopment (47%), economic development (43%), fiscal conditions (33%), and infrastructure challenges (26%);
- Federal (55%) and state (55%) governments are doing only a *fair or poor* job of supporting local housing policies;
- Other than city, state, and federal funding for housing programs, funding is also provided by nongovernmental sources, such as banks (48%) and foundations and nonprofits (43%); and
- In terms of ground-level efforts to provide housing opportunities, cities are most likely to collaborate with nonprofit organizations (85%), banks and other lending institutions (59%), churches and other faith based institutions (51%), and other community based organizations (52%).

FIGURE 2
Percent listing the group as one of three groups in their city with most critical housing needs.

Residents with most critical housing needs	
Lower-income working families	68%
Elderly and aging residents	42%
Disabled or dependent adults	33%
Single-parent families	33%
Middle-income working families	29%
Transitional residents (abuse victims, ex-offenders)	27%
Immigrant families	16%
Racial and/or ethnic minorities	12%
Higher-income working families	8%
Two-parent families	6%

Housing Cost Challenges

The precipitous increase in housing prices in many cities over the first half of the decade has placed great strain on municipalities to ensure that housing needs of residents in their community are met.

At least four in five municipal housing directors say that the value of homes (91%) and rental costs (80%) have increased (either some or *a lot*) in the past few years; one in two (56%) say that the value of homes has increased *a lot*. When it comes to rising home values, municipal housing directors say that their biggest concerns are that it places a financial strain on residents (82%), provides fewer opportunities for home ownership for lower-income working families (76%), and prevents younger generations from buying homes (63%).

A large majority of municipal housing directors says that providing housing to meet the needs of residents is *somewhat of a challenge* (48%) or a *big*

challenge (34%). Providing "affordable housing," in particular, is seen as a *big problem* (37%) or *somewhat of a problem* (46%). The communities that cities are having the most difficulty providing adequate housing for are lower-income working families, transitional residents (such as abuse victims and ex-offenders), disabled/dependent adults, and immigrant families.

Local Strategies

Cities use an array of strategies to provide housing opportunities. Among these, the strategies that municipal housing directors say that their cities are actively using and that they feel are the *most effective* include:

- Offering grants and low interest loans for rehabilitation (40%)
- Providing city controlled funds for down payment assistance (36%)
- Providing homeownership and mortgage education and counseling (31%)
- Building partnerships among governmental agencies (27%)
- Building local government capacity and responsibilities (staff and technical resources) (26%)
- Providing city owned land for production (25%)

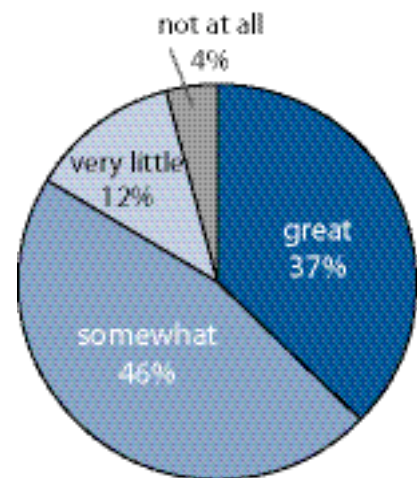


FIGURE 3
How much of a problem is the availability of quality, affordable housing in your city?

Connections to Other Issues

Municipal housing directors see their cities' planning for meeting housing needs as connected to a number of other issues, including community development/redevelopment (47%), economic development (43%), population growth (39%), fiscal conditions (33%), the increasing aging population (30%), and infrastructure challenges (26%).

Municipal Roles in Housing	
Offering grants & low interest loans for rehabilitation	28%
Creating incentives for developers to produce affordable housing as part of new development	23%
Enacting local regulations to encourage mixed-income / mixed-use development	21%
Providing redevelopment incentives	19%
Proving city owned land for production	17%

FIGURE 4
Percent of local housing directors listing activity as one of the five primary municipal roles in providing and/supporting housing and housing services in the future.

About the National League of Cities

The National League of Cities is the nation's oldest and largest organization devoted to strengthening and promoting cities as centers of opportunity, leadership and governance.

NLC is a resource and advocate for more than 1,600 member cities and the 49 state municipal leagues, representing more than 218 million Americans.

Through its Center for Research and Municipal Programs, NLC provides an applied think tank capacity by developing, conducting, and reporting research on programs and issues affecting cities and towns.

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About the Survey

This research brief is the first in a series reporting on the results from NLC's *State of America's Cities Survey* on Municipal Housing. A random sample of 1,167 municipal officials was drawn for the purpose of this survey. The survey was mailed to all of the officials in the sample in July 2006. A total of 432 valid responses were received and tabulated, resulting in a 37 percent response rate. With this response rate it can be expected with a 95 percent degree of confidence (i.e. in 95 out of 100 random sample surveys) that the answers to the survey questions from another random sample of municipal officials would be within four and a half percentage points (+/- 4.5%) of the results of this survey.

The survey was conducted by the NLC's Center for Research and Municipal Programs. NLC developed the questionnaire, drew the sample, mailed the survey instrument, coded, cleaned, and tabulated the data, and prepared the report.

The National League of Cities' *State of America's Cities Survey* series has been conducted for the past 20 years. The surveys offer a framework for understanding how local officials view issues and problems they face in governing the nation's cities and towns.



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