



Housing Policy Priority Brief

Affordable Development

What is Affordable Development?

Affordable housing development refers to the creation, rehabilitation, and maintenance of housing that is financially accessible to individuals and families whose income levels fall below a certain threshold. This threshold is typically defined relative to the [area's median income](#), ensuring that housing costs, including rent or mortgage payments and utilities, do not exceed 30% of a household's income. Affordable housing development is not only about providing a roof over one's head but also about ensuring the long-term sustainability and quality of the housing stock, particularly in historically marginalized and underinvested communities. In the South, affordable housing is increasingly vital as income [inequality and rising housing costs](#) have created significant barriers to securing safe and decent homes for many families.

Affordable Development in the South

Across Southern states, the need for affordable housing development is acute, yet [state-level policy initiatives](#) vary widely in scope and effectiveness. Some states have launched [programs](#) aimed at expanding affordable housing stock through tax incentives for developers, while others have promoted public-private partnerships to fund new construction or rehabilitate older homes in low-income areas. However, there is still a [significant shortfall](#) in the availability of affordable units, and many existing homes suffer from deferred maintenance, particularly in rural and marginalized communities.

Recent policy discussions have begun to focus more on the [long-term sustainability of affordable housing](#). These include energy-efficient construction practices, equitable zoning laws, and expanding the reach of state housing finance agencies to support both renters and first-time homebuyers. While these efforts are a step in the right direction, they often face political and financial barriers, especially in areas with historically low levels of state investment in affordable housing. Additionally, Southern states are increasingly examining innovative solutions like [land trusts](#), [inclusionary zoning](#), and leveraging federal funding through programs such as the [Low-Income Housing Tax Credit](#) (LIHTC) to incentivize affordable development.

How Can Affordable Development Advance Equity in the South?

Affordable housing development is a [critical lever](#) for advancing racial and class equity in the South. Historically, Black and low-income communities have been systematically excluded from safe, affordable, and quality housing due to discriminatory practices such as [redlining](#), [segregationist zoning policies](#), and [unequal access to financial resources](#). By prioritizing affordable housing development, states can begin to rectify these injustices and address the deep-rooted disparities in homeownership, wealth accumulation, and economic mobility. Investing in affordable housing also allows individuals and families to spend more of their income on other [vital needs](#) such as healthcare, education, and food, which in turn fosters greater financial stability and community resilience. By [rehabilitating aging housing stock](#) in historically marginalized neighborhoods and ensuring that new developments prioritize equity, Southern states can create inclusive communities where residents have access to the resources they need to thrive.

Legislative Efforts Related to Affordable Development

1. **North Carolina:** [House Bill 1067](#) (failed): This bill sought to authorize the Durham Public School Board and the County to provide affordable rental housing for teachers, police officers, first responders, and other employees.
2. **Tennessee:** [Senate Bill 2496](#) (enacted): This bill allows municipalities to now establish voluntary "Attainable Housing Incentive Programs" that provide incentives to property owners for building affordable housing, with detailed guidelines for eligibility, application processes, and pre-application conferences to determine project suitability. Approved projects must maintain affordability through deed restrictions, and the program is exempt from existing rent control laws, while an amendment specifies its application to multi-family housing.
3. **Alabama:** [House Bill 346](#) (enacted): This bill creates the Alabama Workforce Housing Tax Credit for projects including new construction and rehabilitation multifamily housing projects for qualified workforce housing projects, also supporting economic development efforts and the creation of stable, good-paying jobs in the State of Alabama.