

Understanding State Housing Finance Agencies: Opportunities for Delaware

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Presentation Overview

- What are HFAs?
- What **roles** do they play in state government?
- What short- and long-term opportunities exist for housing **innovation** in Delaware?
- How can DSHA and its diverse housing partners **work together**?



HFAs, Quick and Dirty

- Emerged in 1960s as state response to urban housing crisis
- Quasi-independent public agencies
- Financially self-sufficient
- As of 2004:
 - \$192 billion for 2.4 million home loans
 - \$55 billion for 687,000 multifamily units
 - 1.7 million units through LIHTC



Major Roles of HFAs

Financer	<ul style="list-style-type: none">• Bond financing
Administrator/ Monitor	<ul style="list-style-type: none">• Federal: LIHTC, HOME, Section 8, Vouchers, Public Housing, Neighborhood Revitalization• State: Housing trust funds , tax credits, CLTs
Planner	<ul style="list-style-type: none">• Federal: LIHTC QAP, HUD ConPlan, Neighborhood Revitalization• State: Comprehensive Plans
Convener/ Coordinator	<ul style="list-style-type: none">• Interagency
Policy Innovator	<ul style="list-style-type: none">• Reluctant Radicalist• Covert Radicalist• Expert Incrementalist

Opportunities for Delaware: Short-term Innovations

In this time of fiscal crisis, a focus on prioritizing & tweaking existing programs is most prudent.

- **Target** existing resources to populations in most immediate, acute need
- Make **incremental** adjustments to existing policies & programs to achieve goals quickly

Opportunities for Delaware: Long-term Innovations

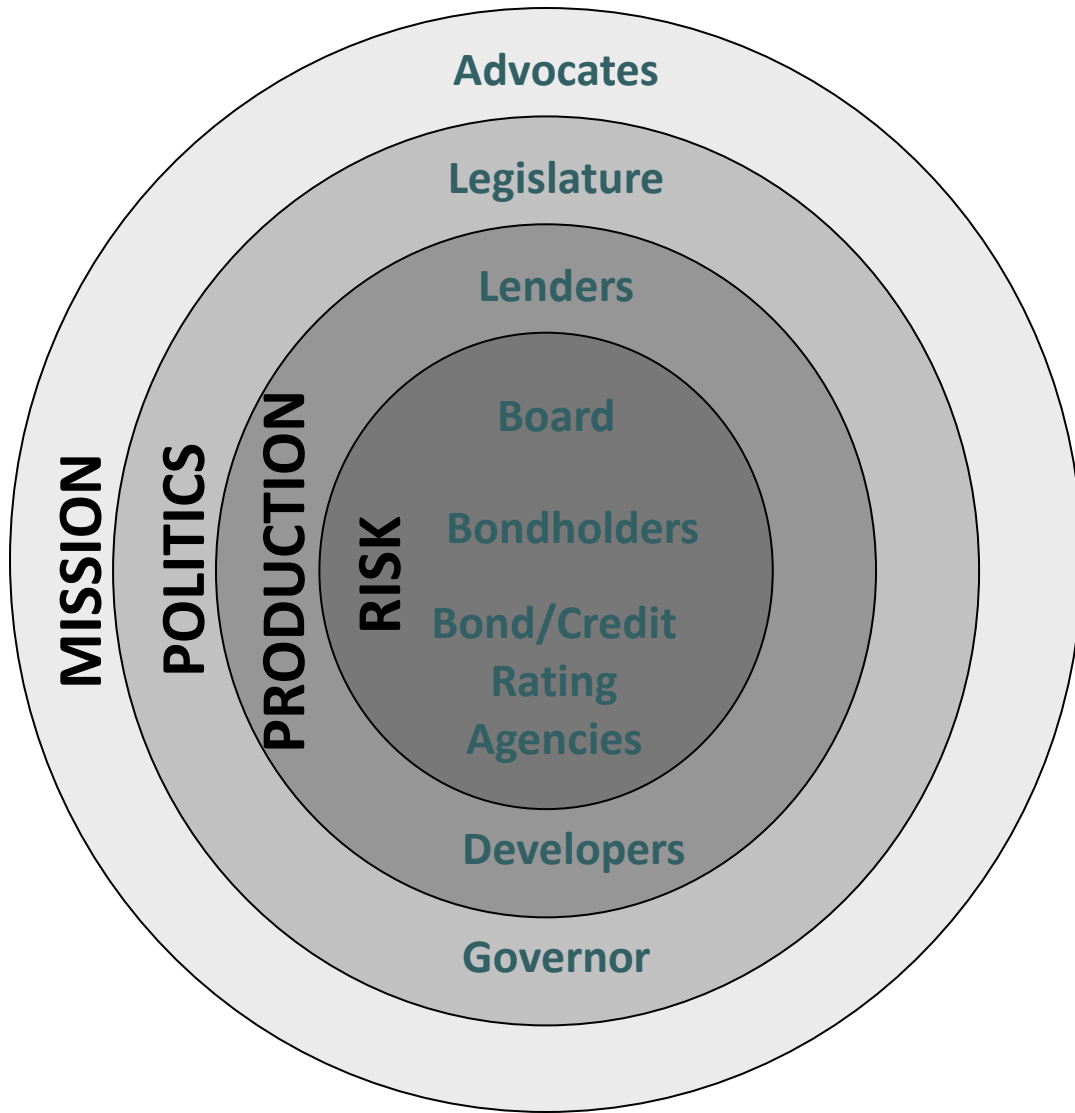
Think more strategically, comprehensively about
DSHA & state housing goals

- **Agency structure/functions:** costs & benefits
- **Comprehensive state housing plan**
 - Provides **goals & priorities** to shape future policies and programs
 - Establishes **transparency & predictability**
 - Develops **accountability** through evaluation
 - Enables effective **coordination** between agencies
 - Fosters **ownership** among diverse partners

Interest Group Compatibilities with HFA Priorities

	HFA PRIORITIES			
INTEREST GROUPS	Risk-Averse	Production-Oriented	Politically-Engaged	Mission-Driven
Advocates	-	-	-	+
For-Profit Developers	-	+	-	-
Non-profit Developers	-	+	-	+
Lenders	O	-	-	-

Note: “-” means priority is lower for interest group; “+” means it is higher for interest group; “O” means that it is relatively the same for both the interest group and the HFA.



Circles of Influence

HFA priorities affect who has the most influence over their decision-making. The strongest influences generally fall within the center of this figure, with the weakest located on the outermost circle. As a multi-function HFA, DSHA has even more tension between risk, production & politics than is typical.

Opportunities for Delaware: Influencing Innovation

- Draw upon strengths of different housing partners
- Find more common ground & build upon it
- Embark upon a multi-interest housing campaign to raise awareness of housing issues statewide
- Push for more “radical” policy innovation based on state housing needs, but understand constraints based on financial risk.

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