

Issue Brief



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Increasing Access to Housing for Low-Income Families

Executive Summary

Across the nation, the housing needs of low-income families are growing rapidly. In the last decade, major changes in social policies and an expanding economy led to greater labor force participation by single mothers, declines in unemployment rates among women and minorities, and higher real wages for the country's less-skilled workforce. Despite this progress, many low-income workers still do not have safe and affordable housing for their families. An increasing number of families are spending more than half of their income on housing or are living in severely substandard housing.

Although much of the funding for affordable housing activities comes from the federal government, federal investment has fallen over recent decades.¹ At the same time, state and local governments have assumed an increasing amount of discretion in administering federal housing programs. States recognize the growing unmet need for affordable housing as a barrier to moving people from welfare to work and out of poverty, and as a significant obstacle to local economic growth. In response, states are developing new programs to address the affordable housing crisis.

States can use several tools to increase access to housing for low-income families and to increase the amount of affordable housing States can:

- provide tax incentives for developers to build and preserve affordable housing units;
- create a state housing trust fund with a dedicated revenue source to support ongoing housing production;
- subsidize families' rental costs by offering grants to pay for utilities, security deposits, or rent;
- promote homeownership among low-income families by providing mortgage loans, credit counseling, or credit repair services; and
- help families save to buy a home or pay for home improvements by establishing Individual Development Account programs.

The Lack of Affordable Housing

Across the nation, the critical housing needs of low-income families are growing rapidly. In 1997, 7.5 million renters and 6.1 million homeowners experienced critical housing problems (i.e., they spent more than half their income on housing or lived in severely inadequate housing).² Moreover, holding a job no longer guarantees that a family can find adequate housing. In fact, the proportion of working households with critical housing needs has continued to increase since 1997.

In no state, county, or city can full-time, minimum-wage workers afford a two-bedroom unit without paying more than 30 percent of their income on rent. In 33 states and 1,237 cities and counties, the Fair Market Rent is more than twice the prevailing minimum wage.³

As welfare rolls have plummeted and more parents have entered the workforce, attention has shifted to the well-being of former welfare recipients and low-income working families. Studies that track individuals who leave welfare indicate that the majority of former welfare recipients are working but often have low incomes and continue to struggle to meet their families' basic needs.

Among the challenges that face former welfare recipients and other low-income families is the lack of safe and affordable housing. In surveys that asked former recipients about housing, over a quarter indicated that they had fallen behind in paying their housing costs, and some had to move because they were unable to pay their rent.

The lack of affordable housing has many implications for families and communities. High housing costs mean that a family has less money to spend on other necessities, such as food, clothing, or child care. Families that do not have access to secure and affordable housing may have to move frequently, interrupting children's schooling and making it difficult for adults to retain employment.

The lack of affordable housing is also an impediment to local economic growth when employers struggle to find and keep reliable workers but those same workers cannot afford to live nearby. This geographic mismatch is compounded by transportation systems that often do not adequately connect low-income neighborhoods with suburban business districts and cannot get people from where they live to job opportunities.

This *Issue Brief* focuses on state efforts to improve access to affordable housing for low-income residents. States can use several tools to increase access to housing for low-income families and to increase the affordable housing stock. The *Brief* provides some options for states to subsidize families' rental costs, promote homeownership among low-income families, and provide incentives for developers to build and preserve affordable housing units.

Increasing the Affordable Housing Stock

Strategies to ensure that low-income families have access to affordable housing must include efforts to increase the housing stock. As housing costs soared throughout the 1990s, the number of affordable rental units available to low-income renters continued to shrink. Every year thousands of affordable housing units are lost to increased rents or destruction, and production of new low-cost units has not been able to keep up with demand. A recent report estimates that for every 100 renters with incomes below \$16,000, only 40 units are affordable and available.⁴ At the same time, the supply of federally subsidized housing has continued to decline. In 2004 the contracts on more than a million units of project-based housing are scheduled for renewal, and many will likely be converted to market-rate rents.⁵

To address the shortage of affordable housing for low-income populations, Congress recently strengthened the Low Income Housing Tax Credit, the largest federal program aimed at increasing production of affordable housing. However, given the severity of the problem, more will have to be done at the state and local level to ensure that low-income families have access to housing they can afford. Two major tools that states can use to further increase the production and preservation of affordable housing are state low-income housing tax credits and housing trust funds.

Using State Low-Income Housing Tax Credits

States can build on the success of the federal Low-Income Housing Tax Credit (LIHTC) to promote the production and preservation of low-income housing. The LIHTC program was created by the Tax Reform Act of 1986 as a method of funding housing for low- and moderate-income households. Developers of low-income rental housing can offset a portion of their federal tax liability in exchange for the production of affordable rental housing. The value associated with the tax credit allows houses or apartment units to be leased to eligible families at rents that are below the market rate.

The LIHTC program has proven to be very effective at leveraging private resources and encouraging housing production. The credit stimulates approximately \$7 billion of private investment each year, producing approximately 70,000 apartments for low-income families and the elderly.⁶ The units must remain affordable for at least 30 years.

Despite the apparent success of the national LIHTC program, affordable housing production is still unable to keep up with demand. Each year approximately 100,000 low-cost apartments are destroyed, abandoned, or converted to market-rate use.⁷ Moreover, the affordable periods for many units developed between 1986 and 1993 are beginning to expire, and those properties are vulnerable to substantial rate increases.⁸

Several states have sought to build on the success of the national housing credit by enacting a similar credit at the state level. Twelve states, including **Arkansas, California, Colorado, Georgia, Hawaii, Illinois, Massachusetts, Missouri, New York, North Carolina, Utah, and Virginia**, offer state tax credits that developers can use in conjunction with other funding sources to construct and renovate low-income housing. Half of those states have enacted legislation in the past two years, indicating a growing interest in using tax credits to bolster housing production. In addition, legislation is pending in **Maryland, Minnesota, and New Jersey**.

There are several benefits in having a state credit. Since the demand for federal tax credits is consistently greater than the amount available, state tax credits can fill a crucial financing gap that remains after maximum federal credits have been allocated. States can stretch the federal credits across more projects by supplementing them with state credits. States can also use state credits to provide a larger subsidy for projects and develop units with even lower rents. Finally, states can structure their state tax credit to meet housing needs not fully addressed by the federal program.

Structuring a state tax credit program to meet state housing needs

Existing state low-income tax credit programs typically are modeled after the federal LIHTC and are administered by the same state agency. However, states may tailor their tax credit program in a number of ways. Current programs differ somewhat in scope and size. In 2001 state allocations for tax programs ranged from \$250,000 in **Arkansas** to \$50 million in **California**.

The credit period also varies across states, ranging from 1 year to 10 years, with half the states opting for 10-year credit periods. Although income eligibility criteria tend to be similar for state programs and the federal LIHTC, states could target a state credit more narrowly, to serve more very-low-income families, or more broadly, to capture the housing needs of moderate-income families.⁹ For example, states that have a very high cost of living, relative to income, could target a larger income range than allowed by the federal credit.

Other tax programs to support affordable housing

States may also spur affordable housing production by developing tax credit programs that are not modeled after the federal LIHTC. **Connecticut** provides tax credit vouchers for businesses that make cash contributions to housing programs developed, sponsored, or managed by nonprofit organizations.

Vermont provides a tax credit for charitable investment in affordable housing. **Oregon's** Farmworker Housing Tax Credit Program provides a tax break to those constructing, rehabilitating, or installing houses for farm workers. In addition, through the Oregon Affordable Housing Tax Credit Program, lenders can lower the cost of financing by as much as 4 percent for housing projects or community rehabilitation programs serving low-income households. Savings must be passed directly to tenants in the form of lower rents.

State Housing Trust Funds

To supplement federal resources, states and localities can also allocate their own general funds to support affordable housing production. One tool states can use to ensure ongoing support for affordable housing production is a housing trust fund. Housing trust funds established by cities, counties, and states permanently dedicate a source of public revenue to support the production and preservation of affordable housing. More than \$400 million is spent annually for affordable housing through the 130 existing housing trust funds.¹⁰ Thirty-six states have state-created funds. Although states can simply allocate money to construct affordable housing, they can more easily develop long-range plans that do not rely on annual budget allocations by dedicating a revenue source to affordable housing production.

Revenue sources for state housing trust funds

Housing trust funds are typically established with a dedicated revenue source and supplemented with appropriations, grants, and other funding. The most popular dedicated source of revenue for a state housing trust fund is the real estate transfer tax. About a third of the states have committed these dollars to their housing trust funds. However, many possible sources for generating revenue exist, including a variety of taxes and fees, interest on government accounts, and government-owned property. Almost 40 different sources of revenue have been dedicated to housing trust funds.¹¹

California dedicates Tidelands oil revenue to the state's housing fund; **Nebraska** uses revenue from the documentary stamp tax; and **Oregon** uses interest on tenant security deposits. In 1998 **Florida's** housing trust fund, the largest state housing trust fund in the country, generated revenues of more than \$136 million. The state was able to generate a sizeable fund because the state's documentary stamp tax applies to both residential and commercial property.

Most states supplement their trust funds with additional appropriations, interest and income, bonds, and other sources. In 1998, for example, **Kentucky** used excess unclaimed lottery earnings, state funds, Kentucky Housing Corporation monies, bond reserve funds, and Department of Mental Health/Mental Retardation funds. State housing trust funds, on average, leverage \$9.25 in public and private resources for every \$1 the trust funds invest in projects.¹²

Administration of state housing trust funds

State housing trust funds can be structured in a number of different ways. Approximately half of existing state trust funds are operated by state housing finance agencies. Others are administered by departments of housing and community affairs, commerce, and economic development.

Some states have established quasi-public boards to oversee their trust funds. The **Vermont** Housing and Conservation Board operates the state's housing trust fund, which has a dual mission of providing low-income housing and preventing the development of open space. The board consists of five citizen members and four ex-officio members who are heads of designated state agencies. The Governor appoints all members except the Director of the Vermont Housing Finance Agency. In **Illinois**, 4 of the 15 members include agency directors; the others are appointed by the Governor, with advice and consent of the Senate. In **Minnesota** members are appointed by the State Housing Finance Agency; in **Arizona** members are appointed by the director of the Office of Housing Development and Infrastructure.

States may develop housing trust funds to work in partnership with other housing or economic development efforts. For example, the **Illinois** housing trust fund works in tandem with the Illinois Home Weatherization Assistance Program to rehabilitate affordable housing that might otherwise be lost to demolition. The weatherization program is designed to help low-income residents save fuel and money by making their homes more energy efficient. The collaboration began in 1991 as a joint effort by the Department of Commerce and Community Affairs, which administers the weatherization program, and the state's Housing Trust Fund.

State role in facilitating local housing trust funds

States can also enact laws that enable localities to establish housing trust funds. **Connecticut's** Municipal Housing Trust Fund Program provides matching funds to municipalities that create housing trust funds that receive direct contributions from private, municipal, or federal sources. In **New Jersey**, municipalities may use standardized developers' fees to help meet their needs for affordable housing. In **Washington**, jurisdictions may impose an additional property tax levy of up to \$0.50 per \$1,000 of assessed value of property for 10 years to finance affordable housing for very-low-income households.

In addition to establishing state housing trust funds or providing tax incentives to spur affordable housing development, states can use money from federal block grants, such as the HOME Investment Partnership (HOME) Program or the Community Development Block Grant (CDBG), to fund production and preservation efforts. (Temporary Assistance for Needy Families funds cannot be spent on construction costs, nor can those costs be counted as a state's maintenance-of-effort requirement for welfare reform.) These sources are almost always used in conjunction with tax credits.

Increasing Low-Income Families' Ability to Afford Housing

Efforts to build low-income housing are vital to ensuring that families have access to safe and affordable housing. However, these efforts alone will not meet the housing needs of low-income families in most areas of the country. Many low-income households cannot afford even the below-market-rate rents of units built with LIHTC or HOME without additional assistance. In 1999, 40 percent of households in LIHTC units used federal Section 8 subsidies to help pay the rent.¹³

States will need to invest in a variety of strategies to assist families in their efforts to secure and maintain adequate housing. States can develop a continuum of assistance, from homeless prevention to homeownership. This section describes ways in which states can help families afford rental properties and become homeowners. States can use TANF monies to provide rental assistance and homeownership loans, and they can implement Individual Development Account programs to help families save for homeownership.

Providing Rental Assistance Programs

One way to increase self-sufficiency and stability for low-income families is to directly subsidize the cost of rental housing. Housing subsidies can help a family end or avoid homelessness or move out of substandard housing. Housing assistance can also help stabilize the lives of low-income families, thereby improving their ability to secure and retain employment. A family that saves money on housing can afford to spend more on work-related expenses, such as child care, transportation, or clothing. Families that receive assistance with housing costs may also be able to relocate to better job opportunities, safer neighborhoods, or better schools.

States can use federal or state monies to provide a variety of housing assistance to low-income families, ranging from short-term or one-time grants to more comprehensive, ongoing rental subsidies. Most states already offer some type of emergency assistance to welfare recipients or other low-income individuals, such as paying rent or utility bills to avoid eviction, homelessness, or severe housing burdens.

States can also help low-income families secure housing by paying security deposits, moving costs, or the first month's rent. **New Hampshire** allows low-income tenants to pay incremental security deposits to the state, which guarantees the full deposit to the landlord.¹⁴ **Iowa's** TANF-funded Housing-Related Emergency Assistance program provides up to \$500 per year to homeless families or families at risk of becoming homeless. The program pays vendors directly for emergency assistance with rent, house payments, utilities, purchase or repair of heating equipment, and rent or utility deposits.

Using TANF to provide rental assistance

Recognizing that finding safe and affordable housing is key to becoming self-sufficient, states are increasingly using their TANF block grants to provide housing assistance to low-income families.

Connecticut, Maryland, Minnesota, New Jersey, North Carolina, Pennsylvania, and Virginia use TANF or state maintenance-of-effort (MOE) funds to establish housing vouchers that families can use in the private market.¹⁵ North Carolina provides counties with TANF housing funds on a competitive basis; eight counties currently use TANF monies to provide a range of housing assistance programs. The counties are required to provide a 50-percent match to receive the TANF funds. In addition to state-administered programs, a few counties in **California** and **Colorado** are using TANF to provide housing assistance.

States can structure their TANF-funded housing programs in a number of ways. For example, states can determine the type and level of housing assistance, who is eligible for assistance, how long assistance will be provided, and how the program will be administered. Existing state programs provide time-limited rental assistance, ranging from nine months of housing subsidies in Virginia to a maximum of five years in Minnesota. Some states, such as Maryland and Minnesota, set a maximum dollar amount for monthly subsidies. Other states subtract a percentage of the tenant's monthly income from a set rent standard, such as HUD's Fair Market Rent standard.

Because of the flexibility of the TANF block grant, states can target their housing programs to best meet the needs of their low-income populations. **Connecticut** uses TANF to provide housing assistance for working families that lose welfare cash assistance due to the state's 21-month time limit. **New Jersey** also targets working families no longer on TANF but does not limit assistance to those who have reached the time limit. **Minnesota** uses TANF to fund two housing programs—one program is restricted to families receiving monthly TANF cash assistance, and the other serves homeless families, families at risk of being homeless, or families with a mental illness, history of substance abuse or HIV. **Virginia** also gives

priority to homeless populations. Although eligibility for existing TANF- or MOE-funded housing programs varies, programs typically require families to be employed or enrolled in job training or other self-sufficiency programs.

Another consideration when creating housing programs is whether to use federal TANF funds or state MOE dollars. Ongoing housing subsidies that last more than four months are considered to be “assistance” under federal welfare laws and will count toward an individual’s five-year lifetime limit on cash benefits. Therefore, states may want to target families who are receiving cash welfare benefits (and are already subject to the time limit) or use state MOE monies to provide ongoing housing subsidies to individuals not receiving cash assistance.

New Jersey uses MOE to fund its housing program; **Virginia** uses TANF funds for the first four months of subsidies and state general funds or MOE for additional months. New Jersey also uses housing subsidies as an incentive for individuals to leave welfare. Parents who have worked at least half time for four months while receiving a cash welfare grant can elect to forgo their welfare benefit for a housing subsidy, which is typically larger than their monthly welfare check. Because the state uses MOE funds instead of federal TANF dollars, recipients will no longer be running their time-limit clock.

Helping Low-Income Families Become First-Time Homeowners

In addition to providing emergency or ongoing rental assistance, states can implement initiatives to promote homeownership among low-income populations. Home equity is one of the most important assets that a family can have and is associated with many positive social outcomes. Unfortunately, many low-income households lack both the money for initial costs of buying a home and stable income for ongoing mortgage payments. Although several federal tax incentives are designed to increase homeownership, they are not designed exclusively to help low-income renters afford their first homes.¹⁶

States can facilitate homeownership by assisting low-income families with mortgage or down payments, providing credit counseling, settling outstanding debt, or helping a family save to buy a home. This section describes two ways in which states can support homeownership—by using TANF to directly subsidize homeownership costs and by using individual development accounts to help low-income families save for a home.

Using TANF Funds to Promote Homeownership Loans

Several states have used the flexibility in their TANF block grant to help welfare-dependent and other low-income families become homeowners.¹⁷ **Michigan** recently allocated \$25 million in TANF funds to the Michigan Affordable Housing Fund to support programs that focus on increasing homeownership by low-income families. **Pennsylvania** has obligated \$6 million in TANF to expand homeownership by funding mortgage loans through Habitat for Humanity and other nonprofit organizations. **Kentucky’s** Cabinet on Children with Families awarded \$4 million of TANF funds to the Kentucky Housing Authority Corporation to implement the TANF Homeownership Program. Through this program, the state loans families up to \$25,000 to reduce the amount of a home purchase and forgives the loan for families who retain the home for at least five years. TANF funds that are used to provide down payments, pay for credit counseling, or settle outstanding debt do not count as “assistance.”¹⁸

States may want to assist TANF recipients transitioning from welfare to work, or they may want to support low-income working families more broadly. **Kentucky** targets families who become ineligible for cash welfare benefits due to increased earnings from employment. **Pennsylvania** provides loans to families with income below 235 percent of the federal poverty level. Similarly, **Michigan** bases eligibility

on income rather than welfare receipt, but income requirements vary by county. A program could also target families living in subsidized housing, to free up those units for other needy families.

Facilitating Saving for Homeownership: Individual Development Accounts

In addition to providing loans for homeownership, states can support policies that encourage low-income families to accumulate savings they can use to purchase or improve a home. One promising tool for building assets among low-income families is the Individual Development Account (IDA), a matched savings account that is similar to an Individual Retirement Account. IDAs reward savings by matching participant accounts and empowering individuals, through financial literacy training, to make sound economic choices. Homeownership is a major goal of most IDA programs.

IDA programs are often implemented by community-based organizations and funded by public and private sources. Federal and state governments, employers, private-sector organizations, and individuals can match deposits for low-income families to use for postsecondary education and training, business capitalization, and home ownership or home improvement. According to findings from a national evaluation of IDA programs, the majority of account withdrawals to date have been used for housing purposes.¹⁹

States can establish or allow for IDA programs in a number of ways. States can create IDA plans through legislation, by including IDAs in their state welfare plans, or by administrative rules. Thirty-two states and the District of Columbia have IDA legislation, and 32 states mention IDAs in their state TANF plans. States may want to encourage partnerships between agencies and the private sector or coordinate private-public working groups to plan IDA programs. The **Michigan** Family Independence Agency and an association of foundations called the Council of Michigan Foundations formed a statewide partnership to establish a model for providing IDAs to low-income families.²⁰

Funding options for state IDA programs

States can fund IDA programs in several ways, including using federal block grant monies, allocating state general funds, and providing incentives for individual and private-sector investments. As part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, states may use federal TANF funds to establish IDA initiatives for those eligible to receive welfare for first-time home purchase or postsecondary education or to capitalize a business.²¹ In addition to TANF funding, states may use CDBG funding from the U.S. Department of Housing and Urban Development (HUD) to operate IDA programs. In **North Carolina**, \$750,000 in CDBG funds support a four-site, two-year pilot IDA program to promote homeownership. Several states also appropriate funds for matching accounts directly from their state treasury. For example, **Pennsylvania** allocates \$1.25 million to establish Family Savings Accounts.

States can also encourage private-sector investment in IDA programs. Some states have employers contribute to workers' IDAs. In **Massachusetts**, **Mississippi**, and **Oregon**, employers who hire former welfare recipients for subsidized work are required to place into accounts \$1 for every hour worked. States can also provide a state tax credit for private contributions to community-based IDA initiatives. The **Missouri** Department of Economic Development issues state income tax credits to eligible taxpayers who donate money to an organization to administer an IDA project.²² The department has an annual allocation of \$4 million in 50-percent tax credits.

Implementation Issues

Most existing IDA programs target TANF recipients, TANF-eligible individuals, or those below 200 percent of federal poverty guidelines. Most programs also exempt state tax on interest earned on IDA savings, and all exempt IDA savings from being counted as assets toward eligibility requirements for TANF and other public assistance programs.²³ Iowa's Family Investment Initiative provides 10,000 IDAs with a 20-percent refundable tax credit on individual IDA savings over five years.

Conclusion

The growing disparity between income and housing costs, coupled with declining federal investments in affordable housing, positions states to assume an increased role in addressing the housing needs of their low-income residents. By addressing housing issues, states can spur economic growth, further welfare reform goals, and improve social outcomes for families and children. The seriousness of the housing problem in most states calls for a variety of strategies aimed at both increasing housing production and rehabilitation and at assisting families in their efforts to secure housing that is safe and affordable.

End Notes

- ¹ The budget for the Department of Housing and Urban Development declined by \$38.6 billion from 1976 to 2001 (in constant 2000 dollars).
- ² National Association of Community Action Agencies, *Meeting the Housing Needs of People in Poverty: Findings from a National Survey of Community Action Agencies* (Washington, D.C.: National Association of Community Action Agencies, 2001).
- ³ Fair market rents (FMR) are established annually by HUD and are based on estimates of gross rents (including utilities) of "privately owned, decent, safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities" of units for rent in American communities.
- ⁴ Rebecca J. Swartz and Brian Miller, *Making Housing Work for Working Families* (Madison, Wis.: Hudson Institute, June 2001).
- ⁵ Joint Center for Housing Studies, *The State of the Nation's Housing* (Boston: Joint Center for Housing Studies, Harvard University, 2001).
- ⁶ National Council of State Housing Agencies, "Housing Credits for Low Income Renter Apartment Development" (Washington, D.C.: National Council of State Housing Agencies). See <http://www.ncsha.org/ncsha/public/whathfasdo/credits/creditsdescription.htm>
- ⁷ Ibid.
- ⁸ Prior to 1993, most LIHTC properties had 15-year affordability periods; since 1993, LIHTC properties have been required to have 30-year affordability periods.
- ⁹ All units subsidized through the federal LIHTC must be available to renters with incomes at or below 60 percent of the area median income.
- ¹⁰ Center for Community Change, see <http://www.communitychange.org/>
- ¹¹ Ibid.

- ¹² Mary E. Brooks, *A Workbook for Creating a Housing Trust Fund* (Washington, D.C.: Center for Community Change, 1999), 46.
- ¹³ Larry Buron et al., *Assessment of the Economic and Social Characteristics of LIHTC Residents and Neighborhoods*, (Cambridge, MA: Abt Associates Inc., 2000).
- ¹⁴ Jennifer Twombly et al, *A Report on State Funded Rental Assistance Programs: A Patchwork of Small Measures* (Washington, D.C.: National Low Income Housing Coalition, March 2001).
- ¹⁵ For additional information on these programs, see Barbara Sard, *The Increasing Use of TANF and State Matching Funds to Provide Housing Assistance to Families Moving from Welfare to Work* (Washington, D.C.: Center on Budget and Policy Priorities, February 2000), and the supplemental report published December 3, 2001.
- ¹⁶ Major federal tax incentives include the Mortgage Interest Deduction, the Real Estate Tax Deduction, the Capital Gains Tax Exclusion, Mortgage Revenue Bonds, and Mortgage Credit Certificates.
- ¹⁷ For additional information on these programs, see Barbara Sard, *The Increasing Use of TANF and State Matching Funds to Provide Housing Assistance to Families Moving from Welfare to Work* (Washington, D.C.: Center on Budget and Policy Priorities, February 2000), and the supplemental report published December 3, 2001.
- ¹⁸ Benefits provided in the form of a grant or loan to assist with the purchase of a home or to repair bad credit do not count as "assistance" under federal TANF rules because the benefit would be a one-time payment.
- ¹⁹ Mark Shreiner et al., *Savings and Asset Accumulation in IDAs—Downpayments on the American Dream Policy Demonstration, a National Demonstration of Individual Development Accounts* (St. Louis, Mo.: Center for Social Development, Washington University, February 2001).
- ²⁰ Eric Muschler, Corporation for Enterprise Development, "Michigan IDA Partnership Encourages Statewide Collaboration" *Assets: A Quarterly Update for Innovators* (Spring 2001): 8.
- ²¹ Fourteen states currently use TANF funds to match participants' savings or for administration of IDAs; four additional states have plans to use TANF funds.
- ²² Eligible donors include individuals, corporations, banks and other financial institutions, limited liability companies, partnerships, trusts, and estates.
- ²³ Center for Social Development, *Matrix of IDA Policy in the States* (St. Louis, Mo.: Center for Social Development, Washington University, September 2001).