



Housing Trust Funds

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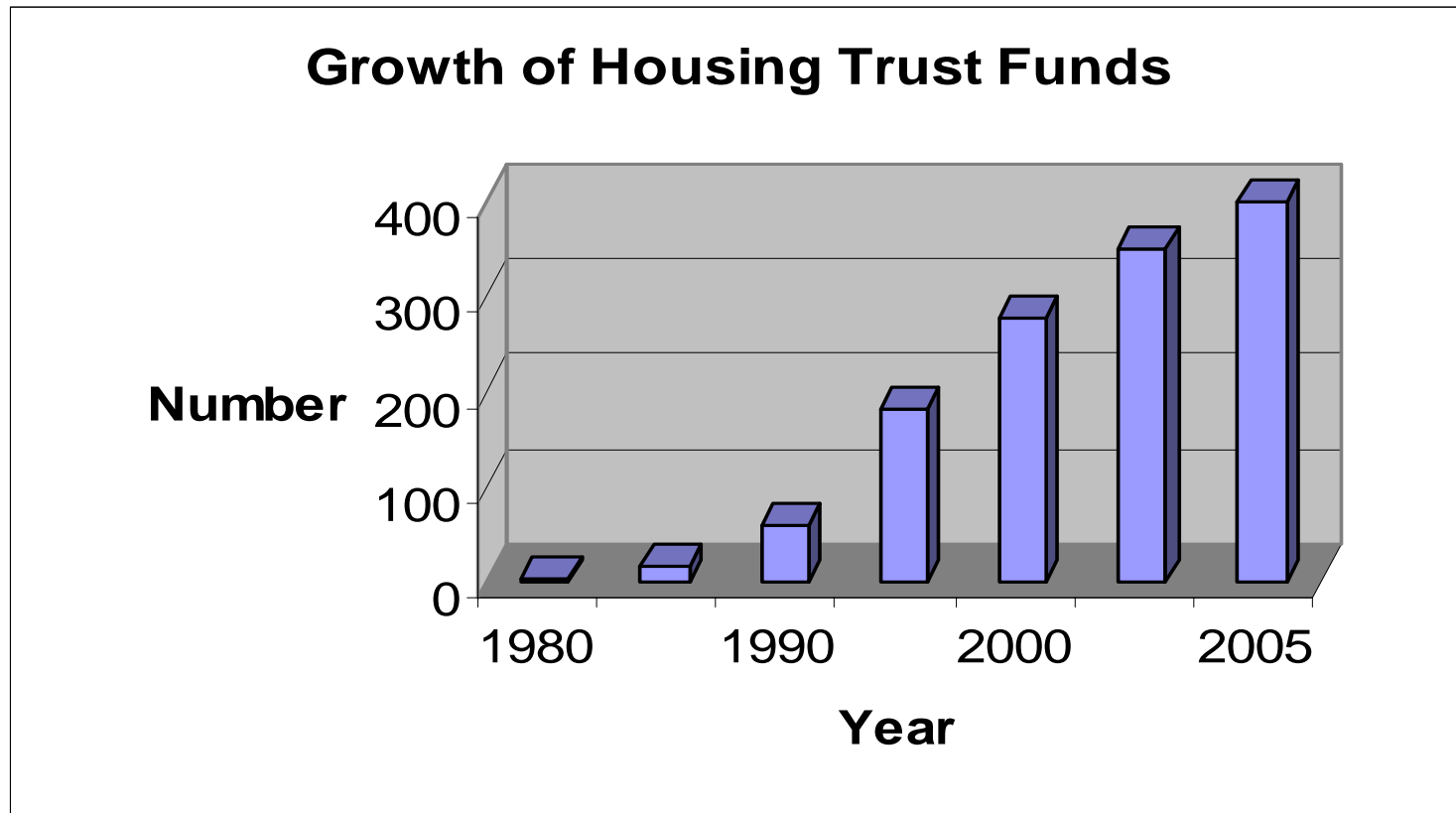
Housing Trust Funds: advancing how we fund affordable housing

- *Securing Dedicated Sources of Public Revenue*

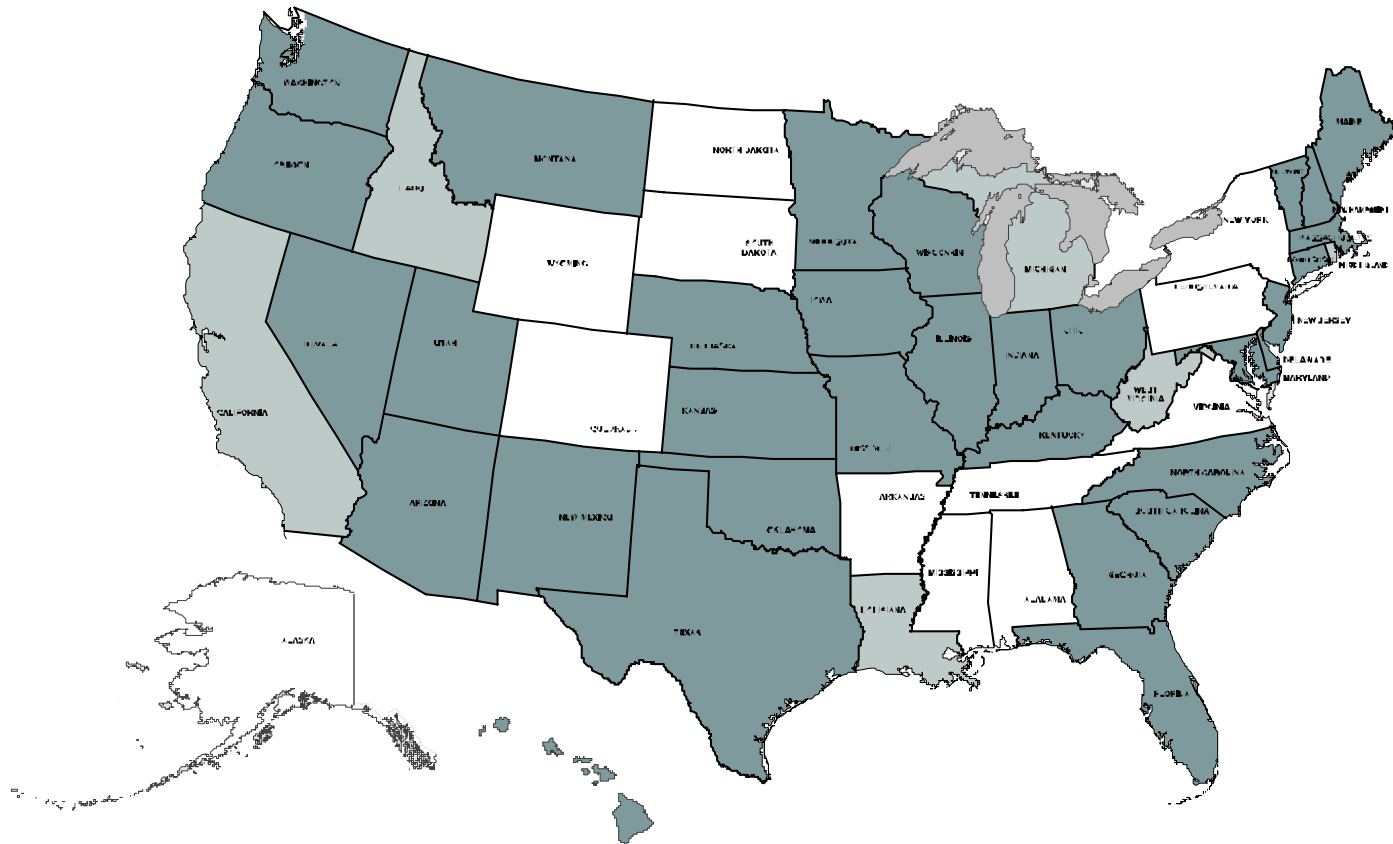


- *Committing that Revenue to Support Critical Housing needs*

Today ... there are more than 400 Housing Trust Funds



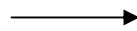
There are 38 states with housing trust funds



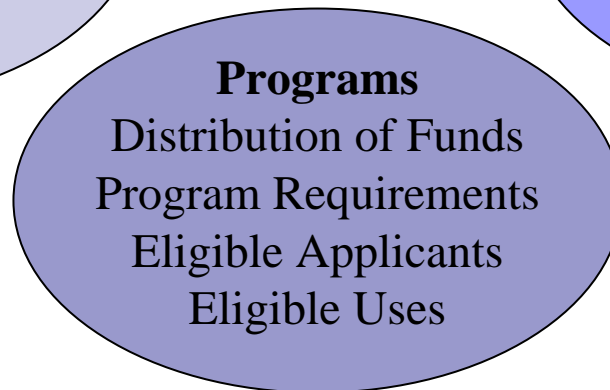
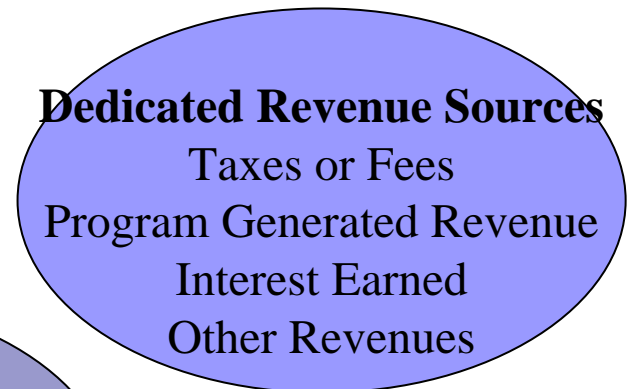
■ State housing trust funds
■ State htfunds without dedicated ongoing public revenues

How Housing Trust Funds Work

Legislation or Ordinance



Establishes the Housing Trust Fund



Administration

- Virtually all housing trust funds are administered by staff of a **public agency or department**.
- Most housing trust funds have some kind of **oversight board**.
 - ✓ They may be either decision-making or advisory boards.
 - ✓ These boards are appointed and have broad representation from the affordable housing community.
- Administrative **costs** can be paid from trust fund revenues or other public funds.



Programs

- ✓ Funds are **awarded** either through a request for proposal process; a notification of funding availability; or direct funding of specific programs.
- ✓ Funds are available either as **grants or loans** and/or other sources of financing.
- ✓ The application process may be **combined** with other available sources of affordable housing funds, such as: HOME, CDBG, etc.



We Need the People
Who Need Affordable
Housing

Program Requirements

- *Eligible Applicants:* nonprofit developers, for-profit developers, housing authorities, governments, Native American tribes, etc.
- *Eligible Uses:* acquisition, new construction, rehabilitation, predevelopment costs, housing related services, operating costs, capacity building, rental assistance, foreclosure assistance, etc.



- *Application Requirements:* income targeting to control who benefits, long term affordability, accessibility, leveraging, etc.

Dedicated Public Revenues

1. Identify a goal--\$10 million annually for the Housing Trust Fund.
2. Get an attitude! The revenue is there—determine what is necessary to dedicate it. Anyone involved should be willing to explore every source.
3. Identify all possibilities. Check out what others have done.
4. Consider different approaches: increasing a revenue source; dedicating existing revenues; or committing the growth in revenues
5. Select your best options.



Why *Dedicate* Public Revenues to Affordable Housing

- Affordable housing is fundamental to the health of any city.
- The private market cannot respond to homes that require subsidies.
- Affordable housing needs are constant as long as wages continue to lag behind.
- Affordable housing requires long-term planning and investment.



- Affordable housing cannot be dependent on budget surpluses.

Dedicated Revenues We've Won!



■ Real estate transfer tax

- *Florida, Hawaii, Illinois, Maine, Nebraska, Nevada, New Jersey, South Carolina, Vermont*

■ Interest from escrow accounts

- *Connecticut, Maryland, Minnesota, Washington, Wisconsin*

■ Document recording fees

- *Delaware, Kentucky, Missouri, Ohio*

■ Lottery earnings

- *Oregon*

■ Interest from Unclaimed, Unnamed Property Fund

- *Arizona*

■ Bond and fee revenues

- *Kansas, Nevada, New Hampshire*

■ Capital budget funds

- *Washington*

Ohio Housing Trust Fund is a Work of Dedication



- Twelve year campaign, lead by COHHIO, secures recordation fee for state's trust fund.
- \$50 million annual revenue.
- A majority of the funds serve those earning no more than 50% of the area median income.
- In FY2005: home repair of 1,972 units; supportive services with housing for 5,632 persons; down payment assistance for 289 households; and construction of 977 homes.

Illinois Affordable Housing Trust Fund

- Created in 1989 and receives 50% of the state's real estate transfer tax revenues providing as much as \$60 million annually.



- Funds new construction and rehabilitation; down payment/closing cost program; owner-occupied rehab program; and multi-family projects.

Vermont's Housing and Conservation Board

- *Dual purpose of supporting affordable housing and conserving open space and agricultural lands.*



- *Funded through a dedicated portion of the Property Transfer Tax and Capital Bond funds, along with General Fund surpluses.*
- *Over seventeen years, state investments of \$180 million have helped to build and rehabilitate 7,800 homes and to conserve 363 farms and 244,652 acres for public recreation, natural areas and wildlife habitat.*

Missouri Housing Trust Fund

- ❖ Created in 1994. Receives document recording fee revenue of approximately \$4 million each year.
- ❖ Uses a consolidated application form for the Housing Trust Fund, HOME funds, and other MHDC fund balances.
- ❖ Addresses housing needs of those earning no more than 50% of area median income with half of the funds serving 25% of ami.
- ❖ In FY2004, assisted 121 housing programs.



Minnesota Housing Trust Fund



- Created in 1988 to fund operating subsidies, rental assistance, and capital funding for affordable housing.
- In 2005, priority established for funding households experiencing long-term homelessness.
- Funds come from interest on real estate escrow accounts, revenue bond application fees, and general appropriations.
- In 2004, supported 479 housing units with \$3+ million in funds.

Arizona Housing Trust Fund

- Created in 1988 with revenues from the 35% of the state's unnamed, unclaimed property fund.
- Since 1998, the Fund has received 55% of the fund contingent on the additional funds being dedicated to rural areas of the state.
- The Fund receives about \$20 million annually in dedicated revenues.



Housing trust funds give affordable housing a new face

- Recognize that the most critical housing needs must be addressed.
- Incorporate sustainable housing principles: accessibility, long-term affordability, green housing.



- Leverage funding (\$1:\$5-10) bringing in additional resources.

Housing is good for the Economy

The argument shifts ...

Marin County Independent Journal covers wide impact of housing crisis.

Workforce Housing
HOMETOWN CRISIS
How Marin's soaring housing costs are affecting the people who live and work here

Priced out of Marin
Housing: Build it or pay
The battle over where
A search for solutions

A reprint of an IJ special project
Marin Independent Journal
www.marinj.com



Study in Lee County, Florida documents that the need for more affordable housing costs the County more than \$249 million annually!

NAHB documents 1,000 multi-family homes generates 1,000+ full time jobs, \$33.5 million in wages, and \$17.8 million in tax revenues and fees.



Why We're Winning Housing Trust Fund Campaigns



- Affordable housing is at the heart of healthy communities.
- Housing trust funds are a visible concrete win for advocates.
- It's not about the money—it's about priorities.