



**Center for Community Change**

**Housing Trust Fund Project**  
**California State Assembly Committee on**  
**Housing and Community Development**  
**Affordable Housing Construction and Finance:**  
**Challenges and Opportunities**  
**March 11, 2015**

**Mary E. Brooks**  
**Housing Trust Fund Project**  
**Center for Community Change**  
**1113 Cougar Court**  
**Frazier Park, CA 93225**  
**661-245-0318**  
[mbrooks@communitychange.org](mailto:mbrooks@communitychange.org)  
[www.housingtrustfundproject.org](http://www.housingtrustfundproject.org)



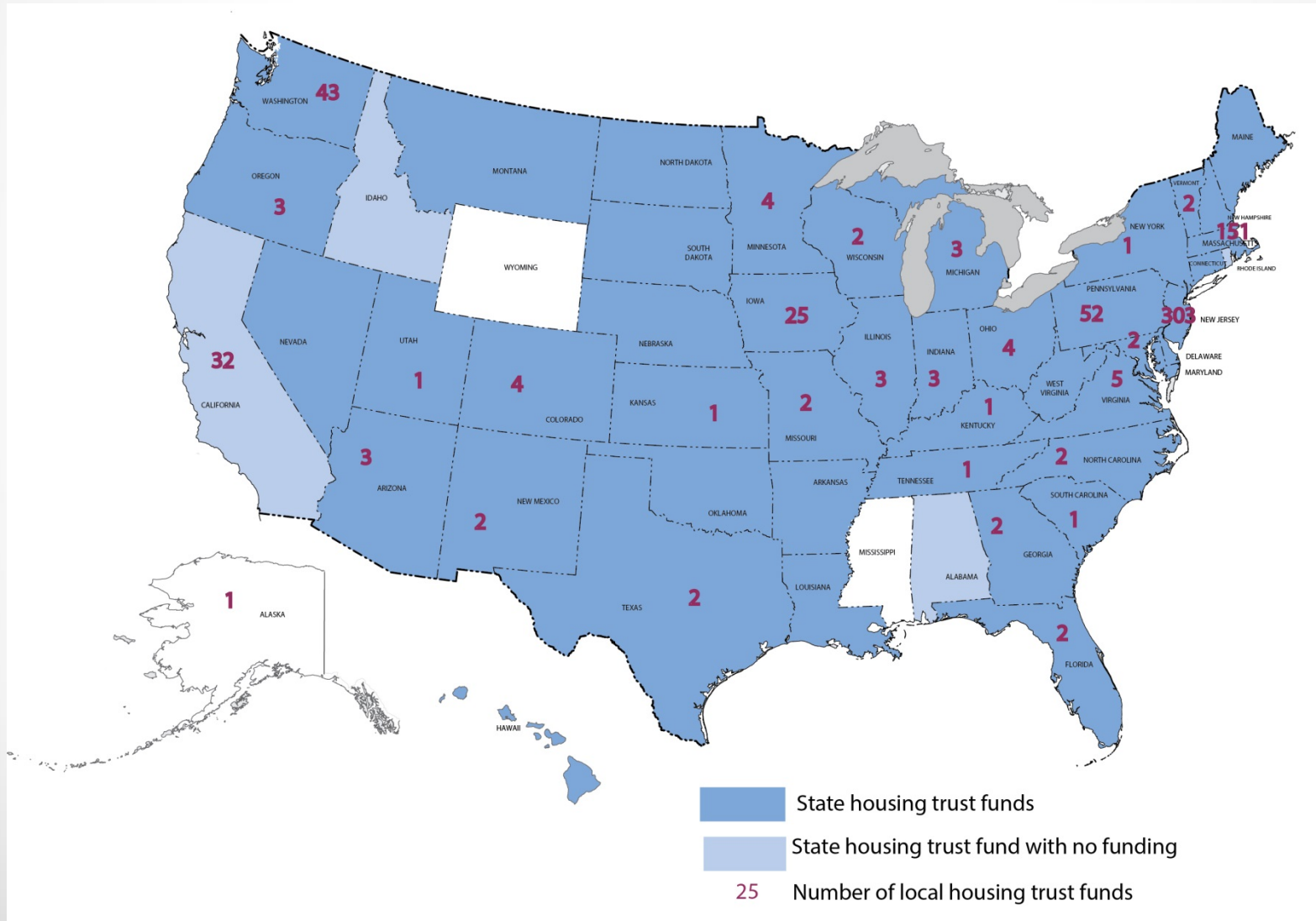
# Housing Trust Funds

*... advancing how we fund housing that's affordable*

- **Securing ongoing dedicated sources of public revenue.**
- **Committing that revenue to support critical housing needs.**



# More than 700 City, County and State Housing Trust Funds Exist in 47 States and the District of Columbia



# Recent HTFund Advances

**Florida** restores state housing trust fund with \$167+ million committed for FY2014-2015.

**Washington, D.C.** Council approves \$79.3 million for the Housing Production Trust Fund for FY2015.

**Hawaii** provides full funding for the state's Rental Housing Trust Fund—estimated to be around \$33 million for FY2015.

**Vermont** approves an 8.2% increase for the Vermont Housing and Conservation Board generating nearly \$16 million in FY2015.

**Minnesota** gained \$100 million in housing bonds for affordable housing.



**Washington** approves an extension of the Homeless Housing and Assistance Surcharges/Document Recording Fees.

**Colorado:** The Attorney General re-allocated \$23 million in National Mortgage Settlement to the Colorado Housing Investment Fund.

# States Commit Public Revenue Sources

## **Real estate transfer tax**

*Florida, Hawaii, Illinois,  
Iowa, Maine, Nebraska,  
Nevada, New Jersey, South  
Carolina, Vermont,  
Washington, D.C.*

## **Document recording fees**

*Connecticut, Delaware,  
Illinois, Kentucky,  
Massachusetts, Missouri,  
Ohio, Oregon, Washington*

## **Interest from escrow accounts**

*Connecticut, Maryland,  
Minnesota, Washington,  
Wisconsin*

## **Interest from Unclaimed, Unnamed Property Fund**

*Arizona*



## **Bond and fee revenues**

*Connecticut, Kansas,  
Massachusetts, Nevada,  
New Hampshire*

## **Other**

*Indiana, Louisiana, North  
Dakota, Oregon,  
Pennsylvania, South  
Dakota, Washington*

# State Housing Trust Fund Impacts

**Virtually every housing trust fund can account for economic impacts:**

- **Pennsylvania** documented that \$25 million in htfund investments would generate \$400 million in economic impact, including 3,000 jobs and \$20 million state tax revenues.
- **Washington** concluded that every 1,000 apartments developed with the Housing Trust Fund creates 1,220 jobs and generates \$79 million in local income.
- **Florida** advocates argued that SHIP Funds in 2014-15 will create over 27,000 jobs and at least \$3.4 billion in economic benefits in just one year.



# Quality of Life Begins at Home



*Providing children with stability and the chance to succeed in school.*

*Providing grandparents/seniors the ability to age with dignity and security.*



*Ensuring veterans who return home can live lives that honor their sacrifices.*

*Guaranteeing equal access and opportunity for all.*



The Veterans Place, Inc.  
220 Vine Street, Northfield Vermont



# California's Housing Trust Fund

In 1985, California established one of the first state housing trust funds in the country intended to capture revenue from offshore oil drilling. While estimated to generate \$20 million/year, some \$2 million was made available.

In 2002, voters passed Proposition 46 and, in 2006 Proposition 1C to sell general obligation bonds to support the Housing and Emergency Shelter Trust Fund Act. Funds were set aside for the Local Housing Trust Fund Program.

There are more than 30 local housing trust funds in California.

With all of the bond funds running dry, no other funds have been dedicated to the state housing trust fund.



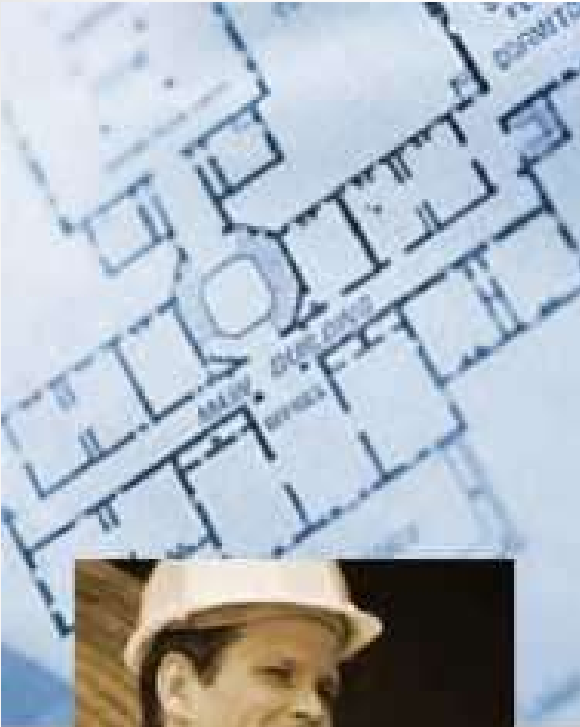


# Administration

- Virtually all housing trust funds are administered by staff of a **public agency or department**. Encourages good coordination of available affordable housing funds.
- Most housing trust funds have some kind of **oversight board**.
  - ✓ These boards are appointed and have broad representation from the affordable housing community.
  - ✓ They may be either decision-making or advisory boards.
- 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 defined programs.**
- ✓ **Funds are available either as grants or loans and/or other sources of financing.**
- ✓ **Program requirements identify eligible applicants; eligible uses; minimum requirements, including goals to serve targeted populations, long-term affordability, accessibility, etc.**

# Why *Dedicate* Public Revenues to Affordable Homes

- Affordable homes are fundamental to the health of any community. Investing in housing that meets the needs of those priced out of the rental market is good fiscal policy.
- Without public investment, the private market will not produce housing with rents that remain affordable to those who are key to our communities. No source of private funding—foundation or corporation—will sustain investment in the production and preservation of affordable rental/for-sale housing.
- A reliable stream of ongoing public funding enables smart, effective planning to address critical housing needs and planned improvements in our communities.



***People who are key to each of our communities and who help us thrive are priced out of both the rental and for-sale market.***

- Every community has children; grandparents/seniors; veterans; persons with disabilities; young families; and businesses -- like restaurants, hotels, and grocery stores -- that rely on employees who earn very modest wages.

# What it Means to Leverage Funds

From our last survey of housing trust funds:

State housing trust funds average \$1.00 : \$6.00

Most reported a leverage ratio of 1:1 to 1:11



Hazelwood Station Apartments

An example from Portland, Oregon:

- **Fund commits \$100,000**
- **HOME funds commit \$750,000**
- **Fee deferrals equal \$96,973**
- **LI Housing Tax Credit commits \$4,190,528**
- **Private loan equals \$2,800,000**
- **Other state funds equal \$236,636**
- **Total development costs = \$8,174,137**

# Washington Housing Trust Fund

- Since 1987, the Housing Trust Fund has awarded almost \$1 billion in funding and helped build or maintain nearly 40,000 units of affordable housing statewide.
- The majority of projects funded to date serve households with special needs or incomes below 30% of AMI, including homeless families, seniors, farmworkers, and people with developmental disabilities.
- Operating and Maintenance Fund provides operating assistance to multifamily rental housing projects serving extremely low-income households.



Washington also commits document recording fees to its homeless trust fund.

# Ohio Housing Trust Fund

Dedicates the recordation fee for state's trust fund, capped at \$50 million annual revenue.

A majority of the funds serve those earning no more than 50% of the area median income.



The following are some of accomplishments achieved as a result of the 2013 allocation of \$53 million in Housing Trust Fund monies:

- Construction/rehabilitation/repair of 1,124 rental units and 1,967 homeownership units;
- Homelessness prevention (short-term rental assistance, utility assistance, mortgage assistance, etc.) provided to 3,050 households;
- Supportive services/essential services (case management, service referrals, budgeting, life skills, goal setting counseling, etc.) provided to 18,274 households;
- Down payment assistance/homebuyer counseling provided to 495 households;
- Business assistance provided to 78 businesses;
- Training and technical assistance provided to 3,059 households; and
- Senior service coordination provided to 924 persons.

# Illinois Affordable Housing Trust Fund

Created in 1989 the Fund receives real estate transfer tax revenues providing as much as \$60 million annually. The state also has a rental support trust fund, supported through document recording fees.



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

# The Housing Trust Fund Project

[www.housingtrustfundproject.org](http://www.housingtrustfundproject.org)

**Contact: Mary Brooks**  
**[mbrooks@communitychange.org](mailto:mbrooks@communitychange.org)**

