

Contra Costa County's Housing Crisis:

A Housing Trust Fund Is Part of the Solution



The goal of the housing trust fund is to raise \$10 million annually to build affordable homes in Contra Costa County.

Why A Housing Trust Fund?

Housing is simply unaffordable in Contra Costa. Wages do not adequately cover housing costs, which rise every year. As a result, many of Contra Costa's residents are struggling to find safe, affordable homes.

- An individual needs to earn \$56,800 a year — an hourly rate of \$27.31 — to afford a two-bedroom apartment in Contra Costa.
- 44% of renters in Contra Costa pay more than 30% of their gross income on rent.
- The average home in Contra Costa costs \$400,000 — 67% of households in the county cannot afford to buy a home.

This lack of affordable housing impacts the entire community. Retail workers, teachers, nurses, health care providers, police and firefighters — providing essential services that

benefit everyone — are priced out of the market. Because they have to find homes farther away from their jobs, the ultimate result is increased traffic congestion.



What Is A Housing Trust Fund?

Housing trust funds are distinct funds established by legislation, ordinance or resolution to receive public revenues, which can only be spent on affordable housing. The key characteristic of a housing trust fund is that it receives ongoing revenue from dedicated sources of public funding, such as fees or loan repayments. Typically, an existing revenue source is increased and that increase is committed to a housing trust fund. The key benefit to a housing trust is that it provides a more secure and sensible way to fund needed housing.



The Contra Costa Housing Trust Fund will support affordable housing, such as Sycamore Place in Danville (left) and West Rivertown Apartments in Antioch (right).

(Photos courtesy of BRIDGE Housing Development & Eden Housing, Inc.)

CONTRA COSTA HOUSING TRUST FUND (CCHTF) INITIATIVE

CCHTF Initiative is a broad coalition of elected officials, civic leaders, faith, labor, business, grassroots and non-profit organizations who work together to find solutions to Contra Costa County's affordable housing crisis.

The Initiative's goal is to establish the Contra Costa Housing Trust Fund with a permanent dedicated funding source through a public-private partnership between cities and the county.

GET INVOLVED!

Call Shannon Dodge, Campaign Director, at **925.932.1773** to find out how you can get involved.



The Contra Costa Housing Trust Fund Initiative:

Frequently Asked Questions



What Is Affordable Housing?

Housing is considered affordable if it consumes no more than 30 percent of a household's income. Affordable housing serves households whose income levels are below specific targets: a household is considered 'low income' if their income is below 80 percent of an area's median income (AMI) and 'very low income' if their income is below 50 percent AMI. For Contra Costa, the AMI is \$76,600 per year for a family of four. Typically, families making less than \$61,280 would qualify for affordable housing.

Even though income levels determine who qualifies for affordable housing, affordable housing shelters a range of households from formerly homeless individuals to first-time homebuyers. Affordable housing can include rental and homeownership; single-family and multi-family; or new and rehabilitated units. The Bay Area is fortunate to have an extensive network of non-profit housing developers that create well-designed, well-managed affordable housing.

How Efficient Is a Housing Trust Fund in Providing Housing?

There is an abundance of proven housing trust fund models across the country that Contra Costa can draw from in order to create a fund that best suits its needs. One of the strengths of a housing trust fund is the ability to attract other sources. For example, the Housing Trust for Santa Clara County began with \$20 million in public and private money and has been able to attract an additional \$500 million from other sources.

What Is the Goal of the Contra Costa Housing Trust Fund?

The goal is to create a fund that receives \$10 million annually that will be spent on building affordable housing in all regions of the county. The trust fund aims to: maximize public-private participation; secure at least one continuous funding source; leverage other resources; and avoid creating new and additional program requirements when other funding sources are available.

What Are Common Revenue Sources for Housing Trust Funds?

The key to creating a successful housing trust fund is to identify a dedicated ongoing source of revenue. There is a range of revenue sources that can be used: new commercial and residential development fees, hotel tax, real estate transfer tax, document recording fees, loan repayments and general funds.

Who Will Oversee Contra Costa County's Housing Trust Fund?

A decision-making body representing the diversity of the county will decide where and how the money is directed. Since housing is a county-wide problem, it needs a cooperative solution by cities and counties.

What Are the Next Steps?

With a broad coalition of elected officials, civic leaders, faith, labor, business, grassroots and non-profit organizations working together, the next step is to figure out the 'nuts and bolts' of the county's housing trust fund. The CCHTF Initiative plans to commission a study of potential revenue sources and conduct outreach to other stakeholders across the county.

How Can I Learn More About Housing Trust Funds?

There are many resources where you can learn more about housing trust funds. The Center for Community Change has publications that can be accessed at their website, www.communitychange.org/publications/housingtrust.htm.

How Can I Get Involved?

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