



Center for Community Change

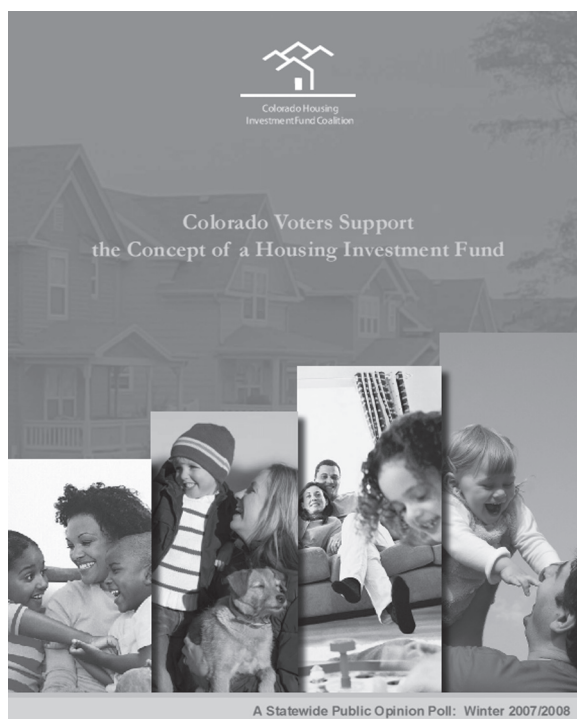
# Housing Trust Fund Project **NEWS**



## Colorado Housing Investment Fund Campaign Underway

**2008**  
**SPRING**

The Colorado Housing Investment Coalition has filed for their statewide housing trust fund campaign. The proposed initiative would amend the constitution of Colorado to create a Housing Investment Fund and provide revenues from a state real estate transfer tax. In late 2007, a statewide poll was conducted to test the viability of an investment fund on the statewide ballot and responses indicated a strong level of support for the idea.



A Statewide Public Opinion Poll: Winter 2007/2008

The Colorado Housing Investment Fund Coalition was founded in the summer of 2001 and over the course of the past six years has tested the feasibility of a statewide trust fund, as well as, assessing the structure, program, and funding for the idea. During that time, the Coalition conducted research into revenue source options; quantified the economic impact of a state housing trust fund;

participated in regional hearings; secured more than 1,000 endorsing individuals and organizations supporting the proposal; and, through polling, determined the best time to place the question before the voters.

As proposed, the Fund would be administered by the Colorado Division of Housing to provide housing for very low income, low

income and workforce households throughout the state.

The proposed Fund would provide grants and loans to support new construction, acquisition, predevelopment, rehabilitation, downpayment and closing costs, energy efficiency improvements, accessibility modifications and

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## CENTER for COMMUNITY CHANGE

**News** is published by the Housing Trust Fund Project of the Center for Community Change. The Center for Community Change is a national nonprofit which helps low-income people build powerful, effective organizations through which they can change their communities and public policies for the better.

The Housing Trust Fund Project operates as a clearinghouse of information on housing trust funds throughout the country and provides technical assistance to organizations and agencies working to create and implement these funds.

For more information or to request technical assistance, please contact:

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## COLORADO continued from page 1

construction, foreclosure and homelessness prevention, and costs of compliance with local ordinances. Annual public hearings and needs assessments will enable the fund administrator to determine annual funding priorities.

Forty percent of the funds will be available on a competitive basis to any local housing authority, nonprofit or for-profit corporation, local government, or special district. The remaining sixty percent of the funds will be available to local governments to distribute to a local

THISTLE COMMUNITY HOUSING



*Thistle Community Housing, a nonprofit committed to working with families, seniors, people with disabilities to create quality permanently affordable housing, provides these 32 affordable apartments in Longmont, Colorado.*

housing authority, nonprofit or for-profit corporation, local government or special district and are to be made available in accordance with a local or regional housing plan based on local or regional needs assessments.

No less than half of the funds are to benefit very low-income households each year. The proposal would require the legislature to establish the percentage of revenues that can be spent on administration of the fund; reporting requirements by local governments and other

recipients of funds; reporting obligations of the administrator of the Fund; and other program requirements.

The Initiative would create a real estate transfer tax on all real estate of four cents per \$100 on the sales price on real property. Colorado would reportedly still have the lowest fee or tax of any state which assesses one on the value of real estate transactions.

A majority (63%) of likely voters are positive toward the general idea of a housing investment fund, with more than one-third saying they are very positive of the concept. Interestingly, those not voting or rarely voting in the last four years are even more supportive (72% compared to 58% of frequent voters).

The polling also tested messages that supporters found convincing and the two most popular were:

- “Colorado is facing a severe shortage of safe and decent housing affordable to its most vulnerable residents—the homeless, disabled, elderly and children living in poverty,” and
- “Since 38 other states have housing investment funds, it is in Colorado’s interest to assist in providing its residents with the safe, decent and affordable housing that is fundamental to the health and well being of our nation’s residents.”

When asked who voters tend to trust as an information source on housing, Colorado voters expressed

*continued on page 12*

# Housing Alliance of Pennsylvania Kicks Off Housing Trust Fund Campaign

The Housing Alliance of Pennsylvania launched its state housing trust fund campaign last December at its annual conference—attended by more than 500 advocates, higher than any previous conference. The Alliance has established a \$100 million goal in annual dedicated revenue to support the development, rehabilitation, repair and preservation of homes, both rental and owner occupied.

The initiative has gained nearly 300 organizational and individual endorsers so far. Among the statewide organizations involved are the Pennsylvania Coalition to End Homelessness, the Pennsylvania Statewide Independent Living Council, the Pennsylvania Council of Churches, the AARP, the Philadelphia Association of CDCs, along with the Pennsylvania Builders Association, the Pennsylvania Association of Housing & Redevelopment Agencies, and the Pennsylvania Association of Realtors. The campaign has formed a steering committee with representatives from the Pennsylvania Housing Finance Agency and the Housing Alliance of Pennsylvania, among others.

Legislation establishing the state trust fund will be introduced this spring by Senator John Pippy, from Western Pennsylvania. To date, the Housing Alliance has succeeded in securing thirty other state senators to sign on as co-sponsors, more than half of the Senate membership. The legislation, the Pennsylvania Housing Affordability and

Rehabilitation Enhancement Act (PHARE), will designate the Pennsylvania Housing Finance Agency as the administrator of the state housing trust fund. PHARE funds would be assigned through a competitive process to housing developers, providers and other qualified entities. Funds would support housing affordable to households earning no more than median income.

Geographic statewide distribution and programmatic priorities will be determined through an annual planning process. Funds would not only support new programs, such as rental assistance and home repair grants, but also the expansion of existing programs that are so successful they are oversubscribed, such as gap funding for tax credit development, urban in-fill, homeownership and emergency mortgage assistance.

The legislation will call for the creation of a Community Advisory Board which will have responsibility for advising the Pennsylvania Housing Finance Agency on the priorities for use of the funds and directly determine the use of 30% of the funds. Appointments to this board would be representatives of statewide advocacy organizations who represent consumer, provider and industry interests not on the current Agency board. This provision was reached as a compromise with the Agency, in lieu of setting aside 30% of the funds for



*Housing Development Corporation developed Deer Lake Apartments creating 26 affordable apartments in Lebanon, Pennsylvania.*

housing affordable to extremely low income households.

The legislation does not contain a dedicated revenue source. The Housing Alliance and the Pennsylvania Housing Finance Agency have proposed the use of a 2% surcharge on property insurance policies. The campaign is hopeful that the introduction of the bill by a Republican Senator will enable the legislative process to build political will leading to its dedicated funding. The 2% surcharge on homeowner and commercial properties is estimated to generate more than \$80 million a year.

Pennsylvania has more than 15,000 homeless people with nearly half of renter households paying more than 30% of their income for housing costs. The Housing Alliance of Pennsylvania launched the “Homes Within Reach” campaign to create the framework needed for Pennsylvanians to live in a home they can afford.

Contact: Liz Hersh, Housing Alliance of Pennsylvania, 2 South Easton Road, Glenside, PA 19038 (215-576-7044).

# Kansas Creates Block Grant Program as Part of State Housing Trust Fund

Governor Kathleen Sebelius of Kansas signed into law SB 417 which creates the Housing Development Grant Program and provides \$4 million annually for housing grants. Initially cities and counties that suffered recent disasters qualify for funding and in 2010 eligibility expands to include rural cities and counties. The Housing Development Grant Program will be located within the state's Housing Trust Fund. The passage is due, in part, to natural disasters such as the Greensburg tornado and massive flooding in the southeast of Kansas during 2007.

The Kansas Housing Corporation is authorized to develop a program of grants to cities or counties to carry out housing development activities, defined as the construction or rehabilitation of infrastructure necessary to support construction of new residential dwellings and the actual construction by a county or city housing authority. The city or county is to provide matching funds in an amount equal to at least 10% of the total amount of funds granted by the corporation if the grant funds are to be used for construction or rehabilitation of infrastructure. Matching funds equal to at least 50% of the funds grants are required if the funds are to be used for other purposes. State or federal tax credit or HOME funds are not eligible sources of the match.

Every year on July 1, from 2008 to 2014, \$4 million will be transferred from the state general fund to the state housing trust

fund for the grant program. The Corporation is to adopt rules and regulations regarding the application procedures, grant periods, grant evaluation and reporting criteria, among other administrative responsibilities. Draft program requirements have been developed and public hearings are scheduled for early May.

Cities and counties designated as FEMA disaster areas or so designated by the Governor of Kansas as having resulted in the destruction of a significant amount of residential housing are eligible to apply for funds under the program. After July 1, 2010, an eligible city is defined as any city incorporated in Kansas and an eligible county is defined as any county with a population of less than 60,000. Applications will be evaluated based on needs incurred as a result of a disaster, capacity of the applicant, use of the funds, community support for the program, and ability to leverage the match.

The Kansas Housing Trust Fund was created in 1991 and receives revenues primarily from housing bond fees, but these have not been a significant nor sufficient source of

funding. In the Corporation's 2006 Annual Report, some \$660,000 was awarded during the year to nonprofit and for-profit developers throughout the state for rental housing from the State Housing Trust Fund. The fund is targeted to assist homeowners earning no more than 80% of median income or renters at or below 60% of median income.

The Local Initiatives Support Corporation of Greater Kansas City and some 130 additional individuals, organizations, agencies and others are part of the Kansas State Policy Network. In their "*Bringing Kansas Home*" campaign they developed stories to highlight the statewide nature of the housing crisis. Members of the Network have noted the shortcomings of using federal funds, the main source of assistance in Kansas, to meet these pressing housing needs. The stories demonstrate that there is no single answer to the variety of housing issues facing Kansas. And they make it clear, that current programs have not meet the needs that exist.



Contacts: Fred Bentley, Kansas Housing Resources Corporation, 611 S. Kansas Avenue, Suite 3000, Topeka, KS 66603 (785-296-3724) or Ashley Jones, LISC of Greater Kansas City, 3535 Broadway, Suite 200, Kansas City, MO 64111 (816-753-0044).



# Connecticut's Housing Trust Fund Gets Another \$10 Million

Connecticut established its Housing Trust Fund for Economic Growth and Opportunity in 2005, funded from the proceeds of the sale of state general obligation bonds. This is one of three housing trust funds the state of Connecticut has established. And now, in a fourth round of funding, Governor M. Jodi Rell has announced an additional \$10 million to support the fund this year. *“One of the key issues affecting Connecticut’s economy is the availability of quality, affordable housing,”* Governor Rell said. *“We must have a steady and attractive stock of housing to attract and keep jobs in our state. The Trust Fund helps develop and rehabilitate properties where working people can live and raise their families.”*

The Fund was established as a \$100 million Housing Trust Fund over a five-year period, providing a maximum of \$20 million a year for affordable housing. Thus far, it has received \$40 million since it was created. Over its first two years, it funded the construction and rehabilitation of 1,179 homes. Last June, nine affordable housing developments received a total of \$8.7 million from the third round of funding. Funds supported rehabilitation in Norwalk, emergency repairs in New Haven, mutual housing in Stamford, a replacement program in Bridgeport, among others.

The Fund is designed to help create housing for low and moderate income households by providing gap financing in the form of loans

and grants. The Fund may be used for acquisition, rehabilitation, new construction, or down payment assistance. Eligible recipients include nonprofits and for-profit housing developers, municipalities, local housing authorities, the Connecticut Housing Finance Authority, community development finance institutions, and community development corporations.

The Housing Trust Fund for Economic Growth and Opportunity is administered by the Department of Economic and Community Development. Awards are based on priority guidelines established by the Housing Trust Fund Advisory Committee. Funding cannot exceed \$75,000 per housing unit, \$2 million per project, or \$3 million per program.

Contact: Edward LaChance, State of Connecticut, Department of Economic and Community Development, 505 Hudson Street, Hartford, CT 06106 (860-270-8099).

## Pequonnock Replacement Housing

Scattered site public housing fulfills an important function in Bridgeport, Connecticut, providing subsidized housing options in a neighborhood setting.

To help replace public housing units lost with the demolition of Pequonnock Apartments, the Bridgeport Neighborhood Trust is currently developing sixty units for the Bridgeport

Housing Authority.

As of January 2008, 49 of the 60 units are in various stages of acquisition and development, including twelve units that are complete and occupied.

The City of Bridgeport selected the Bridgeport Neighborhood Trust to provide relocation services to the Pequonnock families. Bridgeport Neighborhood Trust will coordinate moving of these families from temporary houses to new units, rehabilitated units and other qualified housing authority properties.

The process is expected to take two years.



BRIDGEPORT NEIGHBORHOOD TRUST

# California Department of Housing and Community Development Launches Dedicated Revenue Source Campaign

California created one of the earliest state housing trust funds in 1985, but in name only, for it lacks a dedicated revenue source. Today, the California Department of Housing and Community Development, at the direction of Governor Arnold Schwarzenegger, is sponsoring a program to develop recommendations to secure a permanent funding source for affordable housing.

The Department of Housing and Community Development is in the process of holding regional meetings throughout the State with key stakeholders in the business, education, environmental, local government, and housing communities during the first six months of 2008. In addition, smaller focus groups will be sponsored by the Department to hear from constituents and locations not covered by the regional meetings. The Department intends to compile recommendations during July and August for feedback from participants, with a final draft for review by the Governor's office at the end of September 2008. The regional meetings are in: Irvine, Sacramento, Riverside, Los Angeles, Fresno, South San Francisco, Salinas, Oakland, and San Diego.

Each regional meeting is provided with an overview and background on housing within the state, including alternative permanent funding sources. The participants

are then divided into groups to record and rank recommendations for both funding sources and uses of the funds, along with any other concerns. Each group reports back to the whole, with additional discussion to develop consensus on the top five potential revenue sources and uses. Each meeting concludes with a summary of next steps.

*"We cannot rely on the housing propositions alone," said HCD Director Lynn Jacobs. "California needs a long-term public revenue source that is dedicated to financing affordable housing. It's up to us to find a way to assure affordable housing is a part of every Californian's future."*

Information presented during

CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT



*The first California Department of Housing and Community Development affordable housing development in Morgan Hill, California provides 62 family townhouses on more than seven acres. First Community Housing built the townhomes with energy efficient aspects and near public transit, a day care center, shopping centers, and a new community center.*

the regional meeting underscores the importance of affordable housing to the state. The housing industry contributes \$218 billion each year to the state's economy, generates 935,000 jobs, accounts for approximately 10% of all economic activity in the state, and is the second largest industry group in the state, when all economic multipliers are considered.

The Department of Housing and Community Development operates a wide range of affordable housing programs including:

- the **Affordable Housing Innovation Fund** to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing;
- the **Building Equity**

**and Growth in Neighborhoods Program** which makes grants to cities and counties that reduce regulatory barriers to affordable housing;

- the **CalHome Program** enables low and very low income households to become or remain homeowners;
- the **CalHome Self-Help Technical Assistance Allocation** is a sweat-equity program;
- the **Multifamily Housing Program** assists with new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households; and
- many others, including: emergency housing and assistance programs; the **Joe Serna, Jr. Farmworkers Housing Grant Program**; the **Mobilehome/Manufactured Home Park Resident Ownership Program**; the **Office of Migrant Services Program**; the **Predevelopment Loan Program**; and the **Transit Oriented Development Program**.

The **Local Housing Trust Fund Matching Grant Program** helps finance local housing trust funds dedicated to the creation or preservation of affordable housing. This program has \$35 million in funding from Proposition 1C, as

a set-aside from the Affordable Housing Innovation Fund and is under development. It extends the program funded from the earlier Proposition 46.

In 2002, 57.5% of the voters in California passed Proposition 46, the Housing and Emergency Shelter Trust Fund Act of 2002, which permitted the state to sell \$2.1 billion in general obligation bonds to support twenty-one affordable housing programs administered by the state. In 2006, 57.4% of the voters in California passed Proposition 1C, enabling the state to sell \$2.9 billion in general obligation bonds to fund housing for lower-income residents and development in urban areas near public transportation.

The Department points out in the hearings that the “housing wage” in California is \$22.86--more than three times the minimum wage, according to the “Out of Reach” report by the National Low Income Housing Coalition. An extremely



*Participants in the California Department of Housing and Community Development dedicated revenue source regional meeting.*

low income household can only afford monthly rent up to \$496, while the fair market rent for a two bedroom apartment is \$1,189.

For more information, go to: <http://www.hcd.ca.gov/permsource/>.

### Jurisdictions Receiving Matching Local Housing Trust Funds from Proposition 46

Alameda County  
City of Berkeley  
City of Citrus Heights  
City of Livermore  
City of Los Angeles  
Town of Mammoth Lakes  
City of Oxnard  
City of Palo Alto  
City of Pasadena  
City of Sacramento  
City of San Diego  
City of San Jose  
San Mateo County  
Santa Clara County  
City of Santa Cruz  
City of Santa Rosa  
Sonoma County  
City of West Hollywood



EAH CORPORATION

*Camellia Place contains 112 apartments in a garden courtyard setting available to households earning between 20-60% of the area median income. Located in Dublin, California, apartments are close to the BART station, schools, the public library, and many other community facilities. Camellia Place was developed by the Ecumenical Association for Housing, now in its 40th year as a nonprofit housing organization.*



# Milwaukee Housing Advocates Don't Plan to Give Up on Full Funding Campaign

The Milwaukee Housing Trust Fund Coalition is committed to advocating for ongoing revenue for the City's housing trust fund. The Coalition's goal is to convince the City of Milwaukee to provide a minimum of \$1 million annually to the Housing Trust Fund. The Coalition members have committed to on-going planning activities and actions engaging advocates throughout the year as a way to keep the issue alive.

The Milwaukee Housing Trust Fund was created by the Common Council in November of 2006. Initial financing of \$2.5 million for the Fund was included in the Council's budget from bond revenues. Debt service was covered by on-going revenues from the Potawatomi gaming proceeds, tax increment financing, and designated payments in lieu of taxes.

But a commitment of on-going revenue has eluded the campaign. For the 2008 budget, the Mayor put only \$400,000 in for the Milwaukee Housing Trust Fund.

The first round of awards from the Housing Trust Fund committed \$1.4 million to assist in the development of 142 new units of affordable housing. The Fund received 21 applications requesting more than \$5.5 million. And the Campaign points out that applicants pledged \$15 for every \$1 of Housing Trust Fund revenue—identifying more than \$85 million in additional private sector financing, now lost

to the City. Not only would these applicants have been able to create 615 units of affordable housing, but the City gave up additional job opportunities and local revenues, according to the Campaign.

The Milwaukee Housing Trust Fund Campaign has more than 130 endorsers and plenty of creative energy around events to keep this issue in the public eye. In February 2008, they released “*Status of Affordable Housing in Milwaukee*,” prepared by Michael Soika.

The report concludes that by virtually any measure, the availability of affordable housing in Milwaukee has eroded since 2000 and housing insecurity has increased dramatically. Since 2000, Milwaukee has seen a 48% increase in the number of renters spending more than half of their income on housing. The report also presents information from the Nonprofit Center of Milwaukee illustrating that the lack of affordable housing affects primarily minority communities.

But this group isn't stopping there. Here's just a sampling of what they've undertaken to keep this issue in front of elected officials.

**Death Bed:** Last fall, to dispute the mayor's interpretation of the



*Marquette University students build a snow fort in front of the Mayor's house demonstrating the need for full funding to provide safe, decent affordable housing.*

amount of money he needed to put into the Housing Trust Fund for 2008, housing advocates held a press conference in the rotunda at City Hall, putting a life-sized copy of the Housing Trust Fund ordinance on a cot, with many campaign members dressed up in lab coats as medical staff, making the point that the Housing Trust Fund was on its death bed.

**What About Our Houses:** Earlier, advocates compared \$70 million spent to renovate City Hall to the smaller commitment to provide housing for those most in need.



**Snow Fort as Housing:** Marquette University students built a snow fort in the median strip of Washington Boulevard in front of Mayor Barrett's house. The site donned a sign saying "Affordable Housing Plan B."

**Valentine's Day:** At least 35 coalition members gathered outside Mayor Barrett's office for a press conference and action. More than 1000 valentines showed Mayor Barrett their love by stuffing his mail box with love notes attached to a broken-heart valentine.

**Cardboard Condos:** Advocates also built a display of condominiums out of cardboard boxes in the park across from City Hall.

**Stock Certificates:** Stock certificates were presented to the Mayor and to Council Members documenting the "dividends" of a housing trust fund.

**Balloon Release:** 200 housing advocates released balloons in the atrium of City Hall to demonstrate loss of 100 units of affordable housing.

**Stories of Sorrow:** The Campaign collected 500 stories from homeless shelter and meal program participants, written by hand in their own words. Each week one was released to the Mayor and Aldermen.

**Pastoral Assembly Candidates' Forum:** The candidates were asked what specific plans they have regarding priority issues, one of which is affordable housing.

**Sleep Out in Solidarity:** Marquette University Ministry and Midnight Run hosted an all night Sleep Out in Solidarity event, part of which was in support of the Housing Trust Fund.

**Dollars Not Pennies:** The campaign is asking the Mayor to invest dollars, not pennies, by showering the Mayor with pennies and postcards.

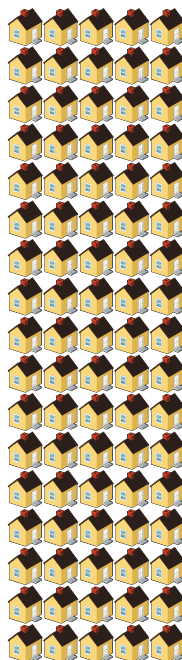
Clearly there is no stopping this campaign, until the Mayor commits significant funding to the City's Housing Trust Fund.

Contact: Heather Dummer Combs, Interfaith Conference of Greater Milwaukee, 1442 N. Farwell Ave., Suite 200, Milwaukee, WI 53202 (414-276-9050).

### Housing Trust Fund RFP Demonstrates the Economic Development Power of Investing in Affordable Housing



\$5.65 Million of Requested Housing Trust Fund Dollars



Unleashes \$85.5 Million in Additional Money (Private Sector Funding, Grants, Tax Credits, etc.)

If all Proposals were Funded – The Housing Trust Fund Would Generate Over \$91 Million in Total Housing Development Projects

This is Equal to the Cost of...

Building a New \$90 Million Bradley Center



Or...Restoring City Hall



Or...Building **TWO** new Milwaukee Theatres



For more information contact the Housing Trust Fund Coalition c/o The Interfaith Conference of Greater Milwaukee (414) 276-9050

# Housing LA Campaigns for Three-Point Housing Plan

SCANPH

**H**ousing advocates in Los Angeles, California have developed a three-point plan to secure a dedicated source of public funds for the Los Angeles Affordable Housing Trust Fund, along with establishing inclusionary housing policies and preserving affordable housing. Housing LA, the coalition that fought for and won the Los Angeles Affordable Housing Trust Fund, is now working to increase the supply of safe, decent homes that people can afford through this plan.

Hundreds of city residents rallied and a broad-based coalition of businesses, housing advocates, labor and religious leaders, nonprofits and developers hosted a press conference to present Mayor Villaraigosa and the City Council with the three-point plan. Labor leader Maria Elena Durazo, LA City Controller Laura Chick, and Director of the Valley Economic Development Center, Roberto Barragan all spoke on behalf of the plan. A twenty-six Honorary Committee is leading the effort that has already collected endorsements from more than ninety organizations.

The Affordable Housing Trust Fund was established by the Mayor and City Council through the City's budget process in June 2000, after recommendations of the Housing Crisis Task Force. The Trust Fund was provided "seed funding" of \$5 million, which was immediately committed by the Los Angeles Housing Department to funding for proposed housing developments that were on the waiting list for

that year. In the following fiscal year, \$10.5 million was budgeted for the Affordable Housing Trust Fund (Fiscal Year 2001-2002).

In July 2001 a City Council motion directed the Housing Department to

report on permanent sources for the Trust Fund. A number of groups met on this issue over the course of three months. In January 2002, the Mayor announced a \$100 million proposal for the Housing Trust Fund. A multi-year funding plan based on the Mayor's proposed plan, was approved.

In 2003 City Council approved the Housing and Community Development Committee report recommendations to approve general guideposts for expenditures, including that 60% of multifamily rental projects would serve households earning no more than 60% of the area median income and 5% for emergency rental assistance.

Some 1,700 people have attended three town hall meetings in several neighborhoods, co-sponsored by Housing LA and member organization LA Voice, resulting in several city council members endorsing the three-point plan. City council members have also promised to work with Housing LA to produce legislation and the Mayor has agreed to shepherd a



*Pastor Ryan Bell moderated the press conference at the launch of the Housing LA campaign.*

mixed-income (inclusionary zoning) ordinance through council this year.

Paul Zimmerman, Executive Director of the Southern California Association of Non-Profit Housing, a member organization of Housing LA, says, *"We're looking at a crisis which is going to take years to solve, but unless we take the first definitive steps now, we will never begin to attack the problem."*

Many workers who provide critical services to Los Angeles cannot afford to live near their jobs. Other hard working families have doubled-up as the only way to avoid homelessness. While nearly 1.8 million households earn Los Angeles' median income of \$45,000 or less, only 1,200 homes were built for this population in 2006. In just the last five years, more than 15,000 rent stabilized homes were demolished or converted to condominiums.

Contact: Francesca de la Rosa, Southern California Association of NonProfit Housing, 3345 Wilshire Boulevard, Suite 1005, Los Angeles, CA 90010 (213-480-1249).

# State Housing Trust Funds Respond to the Foreclosure Crisis

The Housing Trust Fund Project sent out an email survey to all administrators of state housing trust funds, asking if they would like to share any trust fund initiatives to address the range of issues present in the current foreclosure crisis.

Here are two responses from Arizona and Illinois.

If you would like to share your program experience, please send your information to:  
[mbrooks@communitychange.org](mailto:mbrooks@communitychange.org).

## ARIZONA HOUSING TRUST FUND

**Eviction and Foreclosure Prevention:** \$4.2 million has been set aside for eviction and foreclosure prevention activities across the state. Funds are distributed to twenty-two nonprofits and local governments statewide to meet the short-term emergency needs of renters and homeowners. Since 30% of the foreclosures in the state are homes owned by investors, many unsuspecting renters are being put on the street with almost no notice and few options.

**Counseling Support:** \$500,000 was set aside in Trust Fund resources for the following activities:

- training homeownership counselors across the state in foreclosure counseling;
- match for the \$1.33 million NeighborWorks mortgage foreclosure mitigation grant which will be funneled through thirteen housing counseling nonprofits;
- research to determine high mortgage foreclosure impact areas of the state; and
- building counseling capacity in high impact areas where limited housing counseling agency resources exist.

Contact: Fred Karnas, Arizona Department of Housing, 1110 West Washington Street, Suite 310, Phoenix, AZ 85007 (602-771-1000).

## ILLINOIS HOUSING TRUST FUND

**Technical Assistance Funds:** \$100,000 in technical assistance funds was allocated from the Trust Fund to compensate counseling agencies for their assistance with Illinois' Homeowner Outreach Days. Since November 2007, 21 state-sponsored Outreach Days have been held across the state to bring free, one-on-one loan counseling and educational workshops about refinancing, foreclosure prevention, legal rights, loss mitigation and credit counseling to struggling homeowners trying to avoid losing their homes.

**Foreclosure Prevention Network:** \$370,000 from the Trust Fund was allocated to create a coalition of fifteen non-profit counseling agencies across Illinois trained to provide direct counseling and mitigation assistance. Efforts that started with the Outreach Days were continued with the creation of the Illinois Foreclosure Prevention Network in February 2008. NeighborWorks America and HP Foundation collectively agreed to contribute \$150,000 to set up and train the Network. Illinois homeowners who call the national toll-free hotline are referred to the Network counseling agency closest to them for free, face-to-face counseling. The Trust Fund grant compensated the Network's agencies for their counseling and paid for a coordinator to organize and manage the Network. During the Network's first month of operation, approximately 5,600 homeowners called the toll-free hotline to receive counseling over the phone. Of these, 640 homeowners were referred to one of the Network's fifteen certified counseling agencies in their area for additional face-to-face assistance.

**NeighborWorks America:** Illinois also received \$1.5 million from NeighborWorks America. Funds will be dispersed to eighteen nonprofit counseling agencies to assist approximately 4,000 homeowners living in some of the state's most hard hit neighborhoods with counseling. Thirty-two state housing finance agencies were funded through this program.

Contact: Man Yee Lee, Illinois Housing Development Authority, 401 N. Michigan Avenue, Suite 700, Chicago, IL 60611 (312-836-5234).



very strong support in local, working class individuals—in particular, their own public safety, education and health care providers. The results of the polling are available on the Campaign’s website ([www.coloradohousingfund.org](http://www.coloradohousingfund.org)).

The Campaign commissioned a study on the economic benefits that could be anticipated by investing in an affordable housing fund. The study concluded that a \$26.5 million housing fund would produce more than 3,000 affordable housing opportunities; create 3,200 jobs; generate \$334 million in economic activity statewide; and realize \$26 million in tax revenue annually, including \$13 million to local governments.

The Coalition continues to gather endorsements for the proposal

and is helping members host House Parties in May and June to broaden educational efforts across the state. The Campaign has also reached out to a broad base of groups with presentations about the Colorado Housing Investment Fund. Signature gathering events and trainings will take place during the summer.

The Colorado Housing Investment Fund Coalition is guided by forty-six voting member organizations, including the Archdiocesan Housing, Colorado Coalition for the Homeless, Colorado Cross Disability Coalition, Colorado Housing and Finance Authority, Colorado NAHRO, Colorado Progressive Coalition, Housing Colorado, Housing Justice, Interfaith Community Services,



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## Colorado Housing Investment Fund Coalition

League of Women Voters, Lutheran Advocacy Ministry, Mercy Housing Colorado, Sierra Club, SOS 8, among others.

Contact: Alison O’Kelly, Colorado Housing Investment Fund Coalition, P.O. Box 9610, Denver, CO 80209 (720-371-0201).



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COMMUNITY CHANGE**

**Housing Trust Fund Project**

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