

HOUSING TRUST FUND PROJECT



Center for Community Change

North Dakota Creates State Housing Trust Fund

NEWS

2011 SPRING

North Dakota is the 42nd state in the country to create a state housing trust fund. Governor Jack Dalrymple signed the bill in April 2011. The North Dakota Housing Incentive Fund is a victory for the Housing Alliance of North Dakota (HAND). HAND's vision is for North Dakota to become a state where everyone has access to a decent, safe, affordable, accessible place to live.

HAND is independent and private in its operation, allowing it to work in a nonpartisan manner to achieve its goals. HAND is a coalition of advocates and individuals who have an interest in housing issues and in working together under the principle that housing is a basic human need. Representatives from twenty-five different agencies and organizations sit on HAND's Steering Committee. HAND's objective is to address unmet housing needs for all populations, in all areas of the state.

North Dakota's is experiencing insufficient housing for working people in parts of the state, where housing is at a premium. As a consequence, long-time residents who are on fixed incomes are being priced out of the market. The state needs housing for its workforce, but it also needs to maintain decent, affordable, accessible housing for retired people and people with disabilities.

HAND

Our mission:

The Housing Alliance of North Dakota is a statewide network established to identify and address the diverse unmet housing needs in North Dakota.



HAND worked with lawmakers to establish the trust fund to enhance affordable housing options and address critical housing needs for low income people throughout the state. Senate Bill 2210 created a Housing Incentive Fund to be administered by the North Dakota Housing Finance Agency (NDFHA).

Michael Anderson, Executive Director of the North Dakota Housing Finance Agency looks forward to launching the Fund, "We are pleased to have this new tool to help overcome obstacles in developing desperately needed affordable housing in North Dakota. The Housing Incentive Fund is an

continued on page 2

North Dakota Creates State Housing Trust Fund1

Legislation to Create Alabama Housing Trust Fund Moves Through House 3

North Carolina Introduces Legislation to Dedicate Funding for State Housing Trust Fund4

Washington Low Income Housing Alliance Storytelling Project Highlights Human Impact of a Place to Call Home.....5

Connecticut Housing Advocates Hopeful as Capital Budget Recognizes Importance of Housing and Jobs for the State..... 7

Lexington, Kentucky Considers Economic Benefits of Housing Trust Fund as Advocates Push for Action9

Ohio Integrates Economic Benefits Into Housing Trust Fund Campaign.....11

New! Homeless Trust Funds 13

Update on the National Housing Trust Fund13

New Homeless Trust Fund Case Studies

Available on Our Web Site, go to:
<http://www.communitychange.org/our-projects/hhf/hhf-elements/homeless-trust-funds>



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.

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NORTH DAKOTA, continued from page 1

innovative concept and will help us towards our mission of providing housing for families of modest means and to address the housing challenges of our developing communities. We appreciate the willingness and foresight of the legislators and governor for giving us this tool at time when affordable and accessible housing is in high demand. As we await this law going into effect, we are very busy in drafting marketing and allocation plans to make the greatest use of this resource."

The bill gives contributors (individual or corporate taxpayers) to the Housing Incentive Fund a 100 percent tax credit which can be taken over a five-year span. The aggregate amount of tax credits allowed to all eligible contributors is limited to \$4 million per biennium. The contributions will form a pool from which NDHFA can allocate funds for multi-family projects. Multi-family housing is defined as any development containing four or more residential dwelling units within which at least 20% of the residential units must be held for occupancy by low and moderate income households for an established period of time.

The Agency will soon be very busy marketing the tax credits to contributors and crafting the specifics for allocating the development dollars. Consistent with other NDHFA programs, public comment will be sought on the allocation plan through a public hearing and consultation with the Advisory Board and Industrial Commission to make sure the new program can have the greatest impact for North Dakota families.

The housing incentive fund is created as a special revolving fund at the Bank of North Dakota. The Housing Finance Agency may collect a reasonable

administrative fee from the fund. Any assistance that is repaid or recaptured must be deposited in the fund. The Industrial Commission may request NDHFA to report on the activities of the housing incentive fund.

NDHFA is to adopt guidelines for the fund so as to address unmet housing needs throughout the state. Assistance from the fund may be used solely for:

- New construction, rehabilitation, or acquisition of a multifamily housing project;
- Gap assistance, matching funds, and accessibility improvements;
- Assistance to qualify for a loan to make the project feasible; and
- Rental assistance, emergency assistance, or targeted supportive services designated to prevent homelessness.

At least twenty-five percent of the fund must be used to assist developing communities with a population of not more than ten thousand to address unmet housing needs or alleviate a housing shortage. At least fifty percent of the fund must be used to benefit households with incomes of not more than 50% of the area median income.

Eligible recipients include units of local, state, and tribal government; local and tribal housing authorities; community action agencies; regional planning councils; and nonprofit organizations and for-profit developers of multifamily housing.

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Legislation to Create Alabama Housing Trust Fund Moves Through House

LIHCA

Building on momentum established late in the 2010 legislative session, advocates with the Low Income Housing Coalition of Alabama (LIHCA) are working with legislative champion State Representative Patricia Todd to make Alabama the 43rd state to enact a housing trust fund. HB 349, the Alabama Housing Trust Fund Act, passed through the Alabama House of Representatives on Tuesday, April 19 by a vote of 101 to 0. Representative Todd is working with supporters in the Senate to introduce HB 349.

HB 349 would establish the Alabama Housing Trust Fund to address the housing needs of working families, seniors, persons with disabilities, and other households living at or below 60% of the area median income. The fund would be used for the acquisition, construction, and rehabilitation of affordable housing, including pre-development costs and for use in revolving loan funds, as well as for resident services, and down payment assistance.

HB 349 would also establish an appointed Advisory Committee to review and advise the housing trust fund's administering agency, the Alabama Department of Economic and Community Affairs. HB 349 does not identify a funding source for the Alabama Housing Trust Fund. With hopes for dedicated funding in the future, the legislation carefully outlines programs that align with the National Housing Trust Fund.

Two weeks prior to HB 349's passage through the House, LIHCA held its

first Lobby Day at the State House in Montgomery. Housing trust fund supporters including clergy, community action organizations, affordable housing developers, AIDS advocates and AARP Alabama gathered at the State House in the morning. LIHCA kicked off the day with a press conference featuring Representative Todd, LIHCA Board Chair Marcie Porter, and State Director of AARP Alabama Joan Carter. After a briefing on the goals for the day's legislative visits, LIHCA supporters dispersed throughout the State House delivering postcards to House and Senate offices and conducted eleven meetings with representatives and senators.

"The Lobby Day was the first time that this broad group of organizations was down in Montgomery together, working in concert with one purpose and one voice," said LIHCA board member Rusty Bennett. *"We were effective and came away feeling more unified and cohesive than ever before."*

In the weeks leading up to the Lobby Day, LIHCA staff prepared LIHCA members to speak effectively with one voice. Drawing from public opinion research over the last decade, LIHCA's leadership identified three lead message frames for its members to use in advocating for the housing trust fund.

Armed with their three messages, new communication skills, a one-pager on HB 349 and postcards in promoting the



LIHCA leaders and Representative Patricia Todd (third from left) listen to AARP Alabama President Joan Carter address the media on the benefit of the housing trust fund.

Alabama Housing Trust Fund, Lobby Day participants disbursed through the State House for meetings with legislators. Reports in post-meeting debrief sessions with LIHCA staff indicate positive support for HB 349 on both sides of the aisle.

"Not only did we find that legislators are supportive of an Alabama Housing Trust Fund, but we also really helped build the confidence of LIHCA members," said LIHCA staff Ashley Kerr. *"Actually meeting with legislators helps demystify the lobbying process. Plus, having a clear communication strategy that allowed all of our supporters to be on the same was huge. There was a real feel of unity and shared purpose that empowered everyone who came to Lobby Day."*

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North Carolina Introduces Legislation to Dedicate Funding for State Housing Trust Fund

Bills have been introduced in the North Carolina Legislature that would dedicate revenue to the state's Housing Trust Fund (NCHTF) for the first time in its 22 year history. House Bill 574 and its companion in the Senate, S462, would direct a portion of the revenues generated by the state's excise tax assessed on real estate transfers. Since its creation in 1988, the NCHTF has been funded with appropriations from the General Assembly, totaling \$151 million to date.

Currently, 50% of the excise tax proceeds remain in the county that collects it, and counties may retain another 2% of the funds for administrative costs. The remaining funds are remitted to the state, where 75% of funds have been dedicated to the Parks and Recreation Trust Fund and 25% to the Natural Heritage Trust Fund since 1995. In what is considered to be a controversial change, H574 and S462 would modify the distribution of the state's share, directing 50% of the funds to the NCHTF, and allocating 37% of the funds to the Parks and Recreation Trust Fund and 13% to the Natural Heritage Trust Fund.

Since 1995 the Parks and Recreation Trust Fund and Natural Heritage Trust Fund have received more than \$620 million in funding from the excise tax. Over the same period, appropriations to the NCHTF have totaled \$122 million. In 2010, the NCHTF received \$9.5 million in appropriations; under the terms of the bills as introduced, the excise tax would have generated \$15 million for the NCHTF last year. *"This*

proposal would begin to address the long term historical inequity between financial support for open space and for affordable housing, which are both challenged by the growth of market rate development," said Chris Estes, Executive Director of the North Carolina Housing Coalition.

The legislation currently has nine sponsors in the House, and ten sponsors in the Senate. Both bills passed first readings in their respective chambers and are now before the Committees on Appropriations and Finance, respectively.

The introduction of the legislation is the result of the efforts of the Campaign for Housing Carolina, a statewide public awareness campaign initiated by the NC Housing Coalition and the Center to Create Housing Opportunities in 2002, and led by the NC Housing Coalition, NC Justice Center, United Way of NC, NC Coalition to End Homelessness, A.J. Fletcher Foundation, NC Association of CDCs, AARP-NC, NC Coalition Against Domestic Violence, Arc-NC, and with the support of the NC Housing Finance Agency. The Campaign's objective is to build strong and widespread public support for a \$50 million annual appropriation to the NCHTF.

The Housing Trust Fund is North Carolina's only state-funded program that finances affordable housing. It



may be used to finance home ownership and rental housing, new construction, rehabilitation and emergency repairs, and supportive housing. Administered by the North Carolina Housing Finance Agency, support from the NCHTF provides the greatest share of state resources for supportive housing for the homeless, victims of domestic violence, persons with mental illness, and others with special needs, as well as funding for emergency repairs and accessibility modifications that allow elderly and disabled low-income homeowners to remain in their homes.

In its 22 year history, the NCHTF has supported 23,029 homes and apartments and \$756 million of new construction and housing rehabilitation. According to the NC Housing Finance

continued on page 5

Agency, the investments made by the NCHTF have generated 14,507 construction jobs, \$49.2 million of state tax revenues and \$60.8 million of local tax revenues.

In 2010 alone, the NCHTF supported 1,265 homes and apartments representing \$99.3 million in housing construction and rehabilitation. Every dollar invested by the state leveraged \$6.70 in additional housing financing, and those investments created 2,100

construction jobs and generated \$8.3 million in local and state tax revenue.

Since its inception, nearly 84% of the Trust Fund's resources have benefited very-low-income households (at or below 50% of local median income), with nearly 50% of Trust Fund resources directed to benefit extremely-low-income households (at or below 30% of local median income).

"The commitment to dedicating revenue to the North Carolina Housing Trust Fund

will provide affordable housing with a stable funding source that will grow over time, allow for improved planning of affordable housing projects, and increase the supply of housing for those with the lowest incomes. The Housing Trust Fund is vital because it is the only source of funding for North Carolinians with the greatest housing needs," said Chris Estes.

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Washington Low Income Housing Alliance Storytelling Project Highlights Human Impact of a Place to Call Home

"You have a powerful story to tell." So reads the tagline to The Homes for All Storytelling Project, a burgeoning new advocacy effort of the Washington Low Income Housing Alliance (Housing Alliance) intended to capture the stories of people who need or who benefit from affordable housing.

The Storytelling Project is an initiative to urge elected officials and leaders to strengthen communities and ensure access to opportunity through affordable housing by sharing video testimonials and personal stories of Washingtonians with elected officials.

One video features Kimberly, a single mom who just completed a master's degree. Prior to getting an apartment with the public housing authority, Kimberly struggled to find safe, stable housing for nearly 25 years. She tells

the story of her battle with drug addiction, losing custody of most of her children, and a constant cycle in and out of the criminal justice system. One constant during this period of her life was housing instability. In 2004, after multiple waiting lists and many case management programs, Kimberly finally got a place to call home with a public housing authority. The apartment was safe and clean, and allowed her to turn her life around. She raised her youngest daughter and went back to school. Kimberly concludes her story by addressing elected leaders, urging investment in affordable housing. She asks how many more people like herself would have a chance to thrive if provided the basics of shelter and safety were resolved.

"For years, legislators at the state and federal level have told us that the most powerful

advocacy happens when people impacted by affordable housing share their stories," said Rachael Myers, Executive Director of the Housing Alliance. *"As much as we have always used personal stories in our advocacy, we often found ourselves scrambling for stories during advocacy campaigns rather than developing a deliberate strategy to seek out stories year round. The purpose of The Homes for All Storytelling Project is to serve as a regular, ongoing incubator of people's stories."*

The Housing Alliance launched The Storytelling Project on its website in October 2010. People interested in telling their story can either submit it directly via the website, or by calling the Housing Alliance's Mobilization Coordinator Moque Krape for a phone interview.

continued on page 6

In addition to recruiting people on the website, Krape and her colleague also make a pitch for story tellers in most outreach presentations to Housing Alliance members and allies. Housing Alliance staff review story submittals and then select stories for possible video recording.

For people who are willing to be filmed, the Housing Alliance coordinates a video shoot. The video shoot itself is loose and conversational, allowing people to relax as they talk about their experiences. Once the footage is captured, the Housing Alliance edits the interviews into cohesive pieces. The Housing Alliance has completed nine videos to date, with 10-12 more in various stages of production.

With dvds of people's stories in hand, a delegation of Housing Alliance staff traveled to Washington, D.C. to meet with their Representatives and Senators during the March 2011 National Low Income Housing Coalition conference. *"What we found informative was that in every meeting, when we asked staff what resources would be the most useful to them, we heard STORIES over and over again,"* said Krape. *"Stories are needed to fully illustrate the need and importance of affordable housing."*

The Housing Alliance has also used video in its advocacy efforts in the 2011 state legislative session, both as a tool to move elected officials and to mobilize Housing Alliance members. The Housing Alliance included links to the story videos in emails to member organizations promoting its Housing and Homeless Advocacy Day. A record 550 turned out, which in part Krape attributes to the Storytelling Project stories.



Kimberly tells how safe, stable housing changed her life in Homes for All Campaign video. To view Kimberly's story, [click here](#).

"The stories not only inspire elected officials and decision makers, they inspire our movement," said Krape. *"When we hear and understand the real life challenges of fellow people who do not have safe, stable housing, it motivates us to work for change. When we hear how people's lives turn around when they have a place to call home, we know our work will make a difference to real people."*

The Housing Alliance still does substantial work to pull facts and numbers together to illustrate Washington's need for housing, but the Storytelling Project increasingly serves as a primary advocacy tool. Krape explains that data alone fails to capture the human impact of decisions about housing funding. The testimony of a mother going through foreclosure touches people in a different way than the incidence of foreclosures in the state because it grounds elected officials in her personal experience. The complexity and challenge of trying to save for move-in fees and deposits while earning low wages cannot be

captured in a spread sheet. Moreover, in the process of collecting stories, the Housing Alliance is also identifying and developing leaders.

"One of the great side benefits of having people tell their story on video is that the experience is empowering for the story teller," said Krape. *"Being filmed is an affirmation that your story matters, and is part of a bigger story that needs to be told. Further, by sharing your story you make connections and bonds with people. What we are building is not just a bank of powerful stories for advocacy, but a new group of advocate leaders."*

The next advancement in the Storytelling Project will be incorporating the stories into all levels of Housing Alliance programs, including development and membership services. The videos are available on YouTube, and Housing Alliance members use Facebook and Twitter to share the video. The Housing Alliance's goal is to develop an archive of 50-100 stories on video, and eventually publish a book

with some of the most poignant stories and observations from the Storytelling Project participants. The Housing Alliance is also planning to develop a leadership skills component for those who told their stories as part of the Storytelling Project.

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As the Washington Legislature heads into Special Session to resolve the House and Senate budget bills, the Washington Low Income Housing Alliance and fellow anti-poverty advocates continue to rally in support of the Housing Trust Fund and other basic social safety-net programs. After a successful advocacy push to get the House to include \$60 million for the Housing Trust Fund in the Operating and Capital Budget, the campaign is focused now on bringing the Senate's version, which provides only \$30 million for the Housing Trust Fund and cuts funding for other essential family and disability support programs, closer to the House version.

Connecticut Housing Advocates Hopeful as Capital Budget Recognizes Importance of Housing and Jobs for the State

Connecticut Governor Dannel Malloy has proposed \$130 million in new capital investments for affordable housing and supportive housing in his 2012-2013 budget. Outlining his plan and priorities for moving Connecticut's economic recovery forward, the Governor declared in his budget address to the Legislature, "Our state's budget can make the difference between hunger and hope for a family on the brink of homelessness; the difference between failure and opportunity for a child taking his or her first steps; the difference between despair and dignity for an aging senior; the difference between peril and security for anyone walking our streets or traveling on our highways."

Affordable housing advocates have hailed the Governor's proposal, attending the 17 town hall meetings on the budget that the Governor has conducted around the state and meeting with key legislators to show their support

for the capital budget. "This is the largest commitment to housing by a governor of Connecticut since 1989," said Howard Rifkin, Interim Director of the Partnership for Strong Communities. "Governor Malloy gets the connection between affordable housing, job creation and retention, and economic growth. At his core, he gets that dealing with these issues — housing and homelessness — is important to a healthier Connecticut."

The Governor's proposal includes \$50 million in capital spending for initiatives supporting workforce housing, low income housing and the rehabilitation of existing housing for each year of the Fiscal Years 2012-2013 biennial budget. Details on which housing programs, including the Connecticut Housing Trust Fund for Growth and Opportunity (CHTF), may receive the funds are still being defined.

The Connecticut Housing Finance

Authority, using modeling developed by Regional Economic Models, Inc., recently estimated that \$75 million in capital funding for affordable housing could result in as much as 800 units of affordable housing, \$340 million in economic activity, 2,600 jobs, including 1,500 construction jobs, and \$29 million in revenue to the state, depending on how the funds were leveraged.

The proposed capital budget also includes another \$30 million in 2012 for permanent supportive housing. The state's investment in permanent supportive housing is expected to create 150 new units, and the budget includes partial year funding in Fiscal Year 2013, which will annually mean an additional \$1.1 million in supportive services through the Department of Mental Health and Addiction Services and \$1.5

continued on page 8



Connecticut housing advocates in a strategy meeting.

million in new rental assistance subsidies through the Department of Social Services to support the new housing units that are constructed and due to come on line in calendar 2013.

According to the Connecticut Housing Coalition, housing advocates and developers are poised to take advantage of the new funding. A recent survey of the Coalition's members identified 32 affordable housing initiatives that were "shovel ready", with more than \$311 million in total development activity, but which have been stalled for lack of gap financing from the state. This past year, the Connecticut Housing Finance Authority (CHFA) awarded Low Income Housing Tax Credits for four housing development proposals, but turned away 15 other worthy applications for lack of sufficient resources. *"Supportive housing projects have been ready and waiting for the financing needed to move them forward and provide a cost effective and successful solution to homelessness,"* said Betsy Crum, Executive Director of the Coalition.

The Connecticut Housing Trust Fund was established in 2005 with legislation that initially authorized the issuance of up to \$20 million in state general obligation bonds per year, plus an additional \$10 million for a total of \$110 million for the CHTF.

The Housing Trust Fund is administered by the Department of Economic and Community Development, and provides gap financing, grants, loan guarantees, low- and no-interest loans, and funding for the Connecticut Individual Development Account housing program. Eligible applicants include nonprofit entities, municipalities and municipal developers, housing authorities, the Connecticut Housing Finance Authority (CHFA), community development financial institutions, and businesses approved for certain projects.

According to an analysis by DECD, the first \$57 million in capital funds invested in the CHTF leveraged an additional \$519 million in other federal, state,

local and private funds, and produced or preserved 2,200 units of affordable housing. The Partnership for Strong Communities estimates that the state's investment in the Housing Trust Fund has produced more than 4,000 jobs, approximately \$12 million to \$28 million in one-time government revenue, \$7 million to \$14 million in ongoing government revenue, and hundreds of millions of dollars in economic activity. Governor Malloy, within one month of being sworn in sought an allocation of \$10 million from the Trust Fund to immediately promote affordable housing development and create jobs.

The governor's investment in affordable housing comes in another tough budget year for the state, facing deficits in its operating budgets of \$3.2 billion for 2012 and \$3 billion for 2013. Negotiations on the terms of how the operating budget deficit will be addressed are ongoing and must be settled before the capital budget can be approved. Once the legislature authorizes the capital expenditures, funds may be allocated by the state bond commission.

"The capital investment in housing in the Governor's budget is precisely the right response at the right time," said Betsy Crum. *"This investment is a 'win-win' for our economy, our communities, and our State."*

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Lexington, Kentucky Considers Economic Benefits of Housing Trust Fund as Advocates Push for Action

On March 17, 2011, the Lexington/Fayette County Council listened to a presentation by Commonwealth Economics on the fiscal, economic, and social impact of an Affordable Housing Trust Fund in Lexington, Kentucky. Eighty-one members of BUILD, members of the Central Kentucky Housing and Homeless Initiative, and others were present—all of whom have been advocating for the Fund since 2008.

BUILD (Building a United Interfaith Lexington through Direct Action) is a local faith-based organization part of the DART Network. The Central Ken-

tucky Housing and Homeless Initiative mobilizes the nonprofit, public, faith-based and private sectors in an effort to end homelessness and ameliorate housing insecurity.

The study was contracted to provide the Lexington-Fayette Urban County Government with a complete view of the anticipated economic, fiscal, and social impacts that an Affordable Housing Trust Fund would have throughout Lexington. The study concluded that with \$4 million in annual revenues (and accounting for leveraging) the Fund could support an average of 470 hous-

ing opportunities each year, including 150 new construction projects and 320 rehabilitation projects.

More than 363 new jobs would be directly and indirectly supported by this investment. And Lexington would benefit from more than \$43.3 million of direct, indirect and induced economic activity from the development supported through the Trust Fund. The report also cited numerous studies that show improvements in health, family stability, education, and the environment as anticipated community benefits.

continued on page 10



BUILD's Nehemiah Action in Lexington, Kentucky on April 11, 2011.

This photo and many others were taken by John Lynner Peterson of Global Villages Studio. He can be reached and other photos viewed at: (919-862-6085) or <http://www.johnlynnerpeterson.com/Documentary/BUILD-Nehemiah-Action-Assembly>

At the Council meeting, eight citizens testified on the need for an Affordable Housing Trust Fund in Lexington. Mayor Jim Gray was asked to honor his pre-election promises. Two Councilmembers spoke in favor of the Trust Fund: Councilmember Chris Ford and Councilmember Diane Lawless. At the March 17 council meeting, the Council agreed to send the Affordable Housing Trust Fund to the Economic and Community Development Committee for further analysis and consideration.

Firmly committed to the fund, BUILD asked the Mayor and all Urban County Council members to attend the organization's annual Nehemiah Action on April 11, 2011. BUILD's large assembly, the Nehemiah Action, is where BUILD holds public officials accountable for justice in Lexington.

More than one thousand people attended BUILD's Nehemiah Action. An intentional custom of Nehemiah Actions is to ask elected officials for their commitment to selected issues championed by BUILD. When Mayor Gray was asked about his support for the Affordable Housing Trust Fund his initial response indicated a willingness to invest \$100,000 in a feasibility study for the trust fund. BUILD leaders are frustrated with the "not now" theme they've heard for years. Another possibility is that these funds would be used as seed money to demonstrate a rehabilitation program. Three council members indicated their support for the housing trust fund and taking steps by October of 2011.

Of the rental households in Fayette County, some 45% currently pay more than one-third of their gross household income for rent. This means that these

households are not affordably housed. Worse yet, 18% of renter households pay more than half of their income for housing, leaving these neighbors in danger of becoming homeless, according to the Central Kentucky Housing and Homeless Initiative. Evidence shows that the cost of rental housing has been increasing faster than wages for decades in Lexington and that this trend has continued.

The Affordable Housing Trust Fund Campaign, sponsored by the Central Kentucky Housing and Homeless Initiative has a five member Steering Committee and meets monthly to advance the Affordable Housing Trust Fund.

Prior Mayor Jim Newberry, in May 2008, authorized the creation of an Affordable Housing Trust Fund Commission to assess the extent of the problem and make recommendations to enable an Affordable Housing Trust Fund to be operational in Lexington by July 2009. The 47-member commission produced a report in September 2008. The Commission recommended the creation of a local Affordable Housing Trust Fund to provide the community with an ongoing publicly funded commitment to expand the supply of safe, decent and affordable permanent housing in Lexington-Fayette County.

The Commission further delineated that the Fund would be administered by an independent Governing Board, appointed by the Mayor and approved by Council. A Technical Assistance Advisory Group would also be established to provide assistance.



The Commission recommended funding the Affordable Housing Trust Fund by adding 1% to the existing insurance premium tax in Fayette County. This revenue source would generate approximately \$4 million in annual revenues for the Fund.

In the economic benefit study, Commonwealth Economics analyzed three rates: a .5% increase, a .75% increase, and a 1% increase (each excluding health insurance). The insurance premium tax would apply to homeowner insurance and automobile insurance. The study estimates that the impact per household would be between \$15 and \$35 annually, depending on the rate of increase in the local insurance tax.

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Ohio Integrates Economic Benefits Into Housing Trust Fund Campaign

The Coalition on Homelessness and Housing in Ohio (COHHIO) released a new study in March, *"The Economic and Job Creation Impact Study,"* that shows just what an economic engine the Ohio Housing Trust Fund has been for the last four years. *"This study confirms what we've long known,"* said Bill Faith, Executive Director of COHHIO. *"Investments by the Trust Fund create public/private partnerships that bring new dollars into local economies while helping seniors, people with disabilities and our most vulnerable populations. It's a win/win business model."*

The study, conducted by real estate research firm Vogt Santer Insights concludes that between 2006 and 2009, the Ohio Housing Trust Fund fueled Ohio's economy by an estimated \$2.6 billion with associated earnings of more than \$829 million for almost 32,000 workers. At the same time it pumped up the

economy, it tended to the housing needs of the state's most vulnerable population.

The purpose of the study was to estimate what the total impact the funds and associated developments supported through the Ohio Housing Trust Fund represent within the Ohio economy. As would be expected, investment in affordable housing has a tiered impact. For example, when money is spent on housing development, it pays for the labor and materials. This is known as direct economic impact.

The money spent on development also helps keep the manufacturer of the materials in business as well as the consumer outlets where the laborers spend their money (grocery store, gas station, clothing stores). This is known as indirect and induced economic im-

pact. The summation of direct, indirect and induced expenditures results in a phenomenon referred to as the multiplier effect.

Each dollar the Ohio Housing Trust Fund awards results in an overall impact of \$14.54 because the awards attract other funds and their collective infusion into the regional economy results in direct, indirect and induced expenditures in many industries.

The Ohio Housing Trust Fund funds distinct programs, which Vogt Santer Insights analyzed into six project types:

- Homeless Programs: emergency shelter, transitional housing, direct housing and permanent supportive housing activities that meet the housing needs of homeless and low-income families and individuals.

continued on page 12



COHHIO



Housing advocates working with COHHIO.



- Discretionary or Special Projects: projects and activities that do not fit within the structure of existing programs and opportunities to provide supplemental resources to resolve immediate and unforeseen needs.

- Technical Assistance: support to the Ohio Community Development Corporation Association's training and technical assistance programs.

- Business Assistance: development of local microenterprise businesses.

- Housing Development: affordable housing developments to expand, preserve, and/or improve the supply of decent, safe, affordable housing for very low- to moderate-income persons and households.

- Home Ownership: emergency home repair and strategic home repair policies administered by municipalities and support for homebuyer counseling programs.

Different activities generate different levels of economic impact. Housing Development contributed the highest total investment amount, has the most projects, but it also produces the highest return on investment. Investments made by the Ohio Housing Trust Fund in housing developments managed to attract other sources of funding most efficiently—each dollar of investment returned \$23.28 to Ohio's economy.

To address Ohio's housing needs, Ohio's housing advocates, led by the Coalition on Homelessness and Housing in Ohio, began a campaign to improve housing conditions throughout Ohio. The campaign's first success came in 1990 when Ohio voters

approved Issue 1, a constitutional amendment making housing a public purpose. During the following year, the Ohio Legislature passed implementing legislation (House Bill 339) to establish the Ohio Housing Trust Fund and an Advisory Committee to work with the Ohio Department of Development to administer the Fund.

For the next twelve years, the Fund's allocation level ranged from \$5 million for a biennium to \$20 million for one year. In 2002, the Department of Development created a Taskforce and in June 2003, the Ohio Legislature responded to their recommendations and the endorsements of more than 900 governments, businesses, and organizations to increase the recordation fees as a permanent, dedicated funding source for the Ohio Housing Trust Fund. In the 2010-2011 Ohio Biennium Budget, the Ohio Legislature appropriated \$53 million each year to the Ohio Housing Trust Fund.

In Fiscal Year 2010, the Ohio Housing Trust Fund awarded nearly \$29.5 million with these key accomplishments:

- Supportive services provided to 1,363 households;
- Down payment assistance and homebuyer counseling for 60 households;
- Construction, rehabilitation and repair of 1,217 rental and 832 owner homes;
- Homeless prevention provided to 1,122 households;
- Business assistance provided to 56 businesses;
- Training and technical assistance given to 8,553 households; and
- Senior service coordination provided to 924 persons.

While Governor John Kasich recommended full funding for the Ohio Housing Trust Fund in the budget released March 15, 2011, there are competing demands for the funds being expressed primarily by County governments.

Support for the Trust Fund is strong. The Governor has stated that while he wants to make big changes, he does not want to do harm to the state's most vulnerable citizens. While there may be potential changes to Medicaid, there is interest in moving away from institutional care to community based care. These are people who will need access to affordable housing in the community and without this, proposed changes cannot work. The Housing Trust Fund is funded through the Trust Fund Fee—a dedicated source of funding—not the General Fund.

COHHIO and other housing advocates have been able to use the evidence from the Impact Study to underscore just how important the Housing Trust Fund is to sustaining and building Ohio's economy and for protecting its most vulnerable residents—combining these arguments is a powerful approach. As Bill Faith has said, *"This study demonstrates that we can push the economy forward while locking arms with those most in need of support."*

Contact: Bill Faith, Coalition on Homeless and Housing in Ohio, 175 South Third Street, Suite 250, Columbus, Ohio 43215 (614-579-6108) www.cohhio.org.

The Housing Trust Fund Project Releases Homeless Trust Fund Case Studies

Visit the Housing Trust Fund website to read the first three case studies of Homeless Trust Funds and other Housing Trust Funds supporting programs to end homelessness. The case studies can be found at: <http://www.communitychange.org/our-projects/htf/htf-elements/homeless-trust-funds>.

The case studies provide a detailed look at three successful programs to end homelessness using the housing trust fund model:

- The Miami-Dade County, Florida Homeless Trust;
- The Washington Homelessness Housing & Assistance Act; and
- The Philadelphia, Pennsylvania Housing Trust Fund.

The Miami-Dade County Homeless Trust benefits from a food and beverage sales tax. The Fund coordinates and funds the homeless continuum of care which includes shelter, transitional housing and permanent housing, all with supportive services. With housing and work specialists employed at the Homeless Assistance Centers, there is a 62.4% success rate in placing homeless in housing and 33% of those go on to live in unsubsidized market rate housing.

Washington State is unique in increasing and dedicating the document recording fee to counties throughout the state to implement their ten-year plans to end homelessness. This report focuses on the success in King County and highlights their three key strategies: prevent homelessness, move people quickly to housing with supportive services, and build the public and political will to end homelessness.

Philadelphia's Housing Trust Fund is successful in many regards, including its investment in ending homelessness. Trust Fund resources have been used to prevent 8,828 individuals from experiencing homelessness, saving the City approximately \$5 million in emergency housing costs. The programs help retain housing, provide rental assistance, create pathways to housing, and other assistance.

National Housing Trust Fund Update

Representative Elijah Cummings (D-MD) has introduced H.R. 1477, *"The Preserving Homes and Communities Act of 2011,"* on April 14, 2011. The bill has 27 original co-sponsors. H.R. 1477 is the companion bill to S. 489, introduced by Senator Jack Reed (D-RI) on March 3, 2011. S. 489 now has eleven co-sponsors.

The bill would provide \$1 billion for the National Housing Trust Fund (created as part of the Housing and Economic Recovery Act of 2008) generated as profits from the sale of warrants that the federal government received from banks which benefited from TARP bailouts. So far, the sale of these warrants has generated \$8.5 billion in new revenue to the federal government.

The bill would also make changes to how banks engage in mortgage foreclosures, providing improved protections for homeowners facing foreclosure. Among its provisions are a requirement that lenders and servicers evaluate homeowners for mortgage modifications prior to beginning foreclosures, a prohibition against continuing foreclosure proceedings while a homeowner is being evaluated for a modification, and establishing penalties for servicers that engage in unlawful foreclosure practices.

For more information: visit the NLIHC website at:
www.nlihc.org.

For regular updates, become a member of NLIHC and endorse the NHTFund campaign.

