Center for Community Change

Housing Trust Fund Project NEWS

SUMMER 2007

Indiana Dedicates Revenue to its Affordable Housing and Community Development Fund

For the first time in the history of Indiana, a dedicated funding source for the state's Affordable Housing and Community Development Fund was approved by the General Assembly. The funding will come from a tax increase on smokeless tobacco products and is estimated to generate $5-6 million annually for the Fund.

The Indiana Coalition on Housing and Homeless Issues, the Great Lakes Capital Fund, Habitat for Humanity of Indiana, and the Indiana Association for Community Economic Development waged a persistent and impressive campaign winning this victory for affordable housing in the Hoosier state. Our Indiana Home Campaign (www.ourindianahome.org) transmitted necessary and convincing information and brought endorsers statewide to support the legislation.

In addition to gaining dedicated revenue for the Indiana Affordable Housing and Community Development Fund, the legislation also enables counties in the state to increase their document recording fees for

continued on page 2

INDIANA GOVERNOR'S OFFICE

Indiana Governor Mitch Daniels, with Lt. Governor Becky Skillman at his side, signing the bill that includes dedicated revenue to the Affordable Housing and Community Development Fund.

National Housing Trust Fund Bill Introduced!

HR 2895, the National Affordable Housing Trust Fund Act of 2007, was introduced on June 28 by Barney Frank (D-MA). The bi-partisan bill has sixteen co-sponsors.

Go to www.nlihc.org to learn what you can do to support this bill. Valuable toolkit information available.

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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INDIANA

continued from page 1

affordable housing if they establish a local housing trust fund. Four counties currently contain jurisdictions with local housing trust fund experience: Indianapolis (Marion County, which is a metropolitan form of government), Bloomington (Monroe County), Evansville (Vanderburgh County), and Fort Wayne (Allen County).

The optional local document recording fee allows an additional $2.50 for the first page and $1.00 for every subsequent page on all documents. Local jurisdictions (counties) with housing trust funds may enact the increase and, if they do so, 60% of the revenues generated can be retained by the local trust fund and 40% will be sent to the state Fund. If the four counties opted for the increase, an additional $1.2 million would be available annually for the state Affordable Housing and Community Development Fund. A total of $1.7 million would go into the four local housing trust funds.

The General Assembly also approved a one time contribution from an economic development agreement with United Airlines in the amount of $3 million to go towards affordable housing. This one-time contribution is to be divided between the state Fund and four established local housing trust funds.

The Fund (originally known as the Low Income Housing Trust Fund) was created in 1989 and has helped create more than 1,400 units of affordable housing statewide, even though it has never had a long-term, dedicated source of revenue. In 2005, Governor Mitch Daniels reconstituted an advisory committee to review the fund, and in June 2006, the committee released a 106-page report that included millions in funding recommendations, a thorough analysis of the housing needs throughout Indiana as well as the benefits from investing in affordable housing.

Many incarnations of potential funding sources were considered during the recent legislative session. And one concession made removed rent supplements as an eligible use of the available dollars.

Otherwise, the Fund remains much the same with a goal of providing financial assistance to households whose incomes do not exceed 80% of the county's median income. At least half of the funds must support the production, rehabilitation or purchase of housing to be occupied by very low-income households. The funds may be used as grants or loans for the development, rehabilitation, or financing of affordable housing, including elderly, persons with disabilities, and homeless individuals and families. At least half of the funds are to be awarded to nonprofit developers, housing authorities, or units of government. Funds may also be used to provide technical assistance to nonprofit developers of affordable housing. Funds can be used to administer the trust fund.

The Fund is administered by the Indiana Housing and Community Development Authority. The Authority is responsible for establishing written policies and procedures to implement the fund. The Advisory Committee consists of sixteen members appointed by the Governor, and representing the Division of Fam-

continued on page 12

Washington Adds Dedicated Revenue to Addressing Homelessness

Housing advocates in Washington celebrated their third successful campaign to secure a document recording fee surcharge dedicated to addressing affordable housing needs in the state. HB 1359 adds $8.00 to the recording fee, now totaling $28.00, which is estimated to bring in an additional $13 million annually.

FREMONT PUBLIC ASSOCIATION

Family Shelter provides both short-term and long-term emergency shelter for families. Shelter units are fully furnished apartments located in neighborhoods within walking distance of grocery stores and bus lines. Fremont Public Association.

Ninety percent (90%) of the surcharge fee, which is collected at the county level, will be directed to the county for programs that "directly accomplish the goals of the county's local homeless housing plan." A portion of those fees will be shared with cities within the county that elect to operate their own homeless housing programs.

The remaining ten percent (10%) of the fee will be remitted to the state Department of Community, Trade and Economic Development (CTED) to create the statewide homeless housing strategic plan, provide technical assistance to local governments, and fund and manage the Homeless Housing Grant Program, through which the state directly supports homeless housing and prevention projects. The funds can also be used to operate, repair, and staff shelters; operate transitional housing; provide rental assistance; and finance emergency assistance.

Paradoxically, advocates attribute their campaign's success in part to the strength of the Washington housing market, which has remained hot despite weakening in other parts of the country. "We have a very strong set of legislative champions, particularly in the House," said Ben Gitenstein of the Washington Low Income Housing Association. "They see that while the real estate market has been great for tax revenues and the status of the General Fund, it is having a tremendous impact on working families." The state has a two billion dollar surplus, and advocates anticipate that an updated budget forecast may identify more than $400 million in additional unallocated revenue. The campaign coalition is also very broad – "there are lots of different voices who see themselves in these funds," says Gitenstein – including some unconventional partners in the business and philanthropic communities.

Previously known as the "Homeless Housing Account," the newly renamed Home Security Fund Account will receive the state's share of the new surcharge, as well as the $10 surcharge for homeless housing programs established by the Homelessness Housing and Assistance Act (2163) passed in April 2005. Advocates anticipate that the state will use these funds creatively to make housing affordable to those who are homeless or at risk of becoming homeless, helping to cover operating and maintenance expenses and to buy down rents to affordable levels in projects receiving other financing assistance.

Advocates and service providers also have a new mechanism to enhance the effectiveness of the programs that receive Homeless Grant Assistance funds. In April of this year, CTED introduced a "peer to peer assistance model" to program awardees. The model pairs counties with similar programmatic priority issues or target populations to receive complementary targeted expert support. Clustering both non-metro and large and middle-size metro areas, the model also requires county teams to conduct and host site visits to their partners' projects during the three year grant period. The goal of the project is to ensure that all levels of staff working on the project directly benefit from the peer exchange.

In addition to the surcharge, HB 1359 also modified the Washington

 continued from page 3

Housing Trust Account, funded through the first document recording fee surcharge established by HB 2060 in 2002. Newly named the "Affordable Housing For All Account," the fund is used to support operating and maintenance costs, with 60% of the fees collected directed to the county and the remaining 40% remitted to CTED.

The new legislation expressly requires the state to use its share of these funds to provide housing and shelter for extremely low income families, defined as those with incomes below 30% of the area median income, including supplements to rental income to cover ongoing operating expenses. Though the counties can allocate funds to projects serving very low income households with incomes up to 50% of the area median, they are directed under HB 1359 to prioritize funding for housing activities that serve extremely low income families. Counties can use these funds to support acquisition, construction, or rehabilitation of housing units, finance operating and maintenance expenses for affordable housing projects, provide rental assistance vouchers, and cover the operating costs of emergency shelters and licensed overnight youth shelters.

The document recording fee now generates an estimated $45 million annually in Washington, all of which is devoted to affordable housing programs. These programs complement the state's Housing Trust Fund, funded through capital allocations, which also received an increase in the budget this year and is now funded at $130 million.

Contact: Ben Gitenstein, Washington Low Income Housing Association, 811 First Avenue, Suite 408, Seattle, WA 98104 (206-442-9455).

Maine People's Alliance Wins Legislation to Protect Funding to State's Housing Trust Fund

Maine established its housing trust fund, Housing Opportunities for Maine Fund (HOME), with dedicated revenue from the state's real estate transfer tax, in 1985. For the past several years, some of that revenue has been used to cover budget shortfalls in the state. Maine People's Alliance said enough!

Working with Portland Tenants Union, Maine Affordable Rental Housing Coalition, People Organizing to Win Economic Rights, Portland Organizing to Win Economic Rights, The Visible Community, Preble Street Homeless Voices for Justice, Statewide Independent Living Council, Community Housing of Maine, Advocacy Initiative Network and Maine Association of Interdependent Neighborhoods, Maine People's Alliance developed several affordable housing legislative priorities.

The first was passage of LD 936, An Act to Protect the Housing Opportunities for Maine Fund, introduced by Representative Mark Bryant, is intended to prevent stealing from the fund in the future. It states: "Neither the Governor nor the Legislature may divert the revenues payable to the Housing Opportunities for Maine Fund to any other fund or for any other use."

Maine People's Alliance, along with other state advocates, put enough pressure through their presence, persistent letters and phone calls, to win passage in the legislature. Governor John Baldacci has signed the legislation.

When the HOME Fund was established, the legislature dedicated the real estate transfer tax to the Fund. Since 2003, the state has diverted the first $7.5 million collected to the state general fund to meet the state's budget crisis.

Over the past five years, Maine Housing (Maine State Housing Authority) has still been able to invest more than $38 million in HOME funds for a variety of affordable housing initiatives, including: helping people who are homeless; improving substandard housing and making it safe; helping Maine's working families buy their first home; housing for people with special needs; and making rents more affordable.

Maine Housing highlights in its April 2007 report to the Legislature how housing impacts the economy of Maine. Around 10% of Maine's workforce is employed in residential housing or related sectors. Maine Housing points out that the $7.5 million diverted to the General Fund could leverage another $52 million if invested in housing activities through the HOME Program.

The second legislative priority was represented in LD 441 to increase low-income participation on the Maine Housing Board of Commissioners. This bill increases the Board from seven to ten, and states that the gubernatorial appointments must include a representative of the elderly, a resident of public or subsidized housing, and a person with a disability or disability rights advocate. Gubernatorial appointments must also include a representative of the banking industry.

While the push for creating an Advisory Board for the HOME Fund did not make it into a legislative proposal, Maine People's Alliance has been able to secure a commitment from Maine Housing to work with MPA and other housing advocates to develop a plan for public hearings that might include roadshow events and listening sessions, as well as an advisory board that would give input to Maine Housing.

The third priority was to monitor the budget process to ensure that the funds intended to go into the HOME Fund would remain in the Governor's budget. And, indeed, the Governor's budget did include all of the designated transfer tax revenues for the HOME Fund, but after the legislative session, another $5 million each year for two years was diverted to the General Fund. This represents an additional $2.5 million going into the HOME Fund from prior years.

Maine People's Alliance and their allies throughout the state have made a significant advance in reversing an historic trend to divert designated revenues for the HOME Fund and to be more involved in the HOME Fund process as it relates to the public and those with housing needs. MPA's lobby day in Augusta was the largest ever with some 100 members participating in trainings and visiting their legislators. MPA was recognized on the House floor marking their 25th anniversary.

Contact: Kate Brennan, Maine People's Alliance, 2787 Lisbon Street, Lewiston, ME 04240 (207-376-3311).

MAINE PEOPLE'S ALLIANCE

Representative Mark Bryant with Maine People's Alliance and other advocates working to preserve funding for the state's housing trust fund.

Illinois Passes Good Housing Good Schools Legislation

Illinois has enacted a new law that provides direct fiscal incentives to local jurisdictions to increase the availability of affordable housing. The "Good Housing Good Schools" law, SB 220, amends the Local Planning Technical Assistance Act to provide additional reimbursement to school districts affected by new multifamily housing development. The law -- passed almost unanimously by both the House and Senate -- declares, "As municipal leaders and housing developers work to renovate or build affordable and workforce housing, it is essential to look beyond bricks and mortar: quality schools and quality housing go hand-in-hand."

The "Good Housing Good Schools" law establishes a funding bonus for school districts based on the preservation or creation of multifamily housing developments that are affordable to families with incomes below 80% of the area median income. To be eligible, the development must remain affordable for at least 30 years; single-family and age-restricted units may not be counted toward the reimbursement. To qualify, a development project must be certified by the Illinois Housing Development Authority as advancing the preservation and "live near work" goals established by the State's Comprehensive Housing Plan.

Once a housing development is certified, the bonus would be paid by the State Board of Education directly to the affected school district. School districts will be awarded $1,120 for each two bedroom unit, with $560 awarded for each additional bedroom in larger-sized units. The bonus was crafted as a reward to local communities striving to meet the State's housing goals, and as a means to ensure that they do not suffer adverse fiscal impacts from an increase in housing development; it is expected to cost the state less than $5 million annually.

The law reflects a commitment on the part of the state to support communities that are moving forward in meeting the state's affordable and workforce housing goals as outlined in the state's Comprehensive Housing Plan, codified in 2006. The Comprehensive Housing Plan establishes goals to meet the needs of underserved populations; identifies all the state funding sources available to support housing construction, rehabilitation, preservation, operating expenses and supportive services; and recommends steps the state can take to provide financing and promote additional incentives to encourage local jurisdictions to meet the affordable housing needs of their communities.

The Local Planning Technical Assistance Act already permits the State to prioritize funding in state education, transportation, and planning programs to meet the standards set forth in the Act. By addressing local fiscal concerns relating to growth in residential development, particularly the education costs associated with housing families with young children, SB 220 will help to remove political barriers to the siting of affordable housing.

ILLINOIS STATE BOARD OF EDUCATION

The Good Housing Good Schools initiative was modeled on a similar program adopted in Massachusetts in November 2005, Chapter 40S, which offers state school funding in "smart growth districts." Designed as an additional fiscal encouragement to local governments to adopt compact residential and mixed-use smart growth principles that were established in 2004, the complex reimbursement formula outlined in 40S roughly provides a reimbursement reflecting the excess of actual student costs attributable to new students residing in the smart growth developments over the share of the new tax revenue that would be spent on education as measured by a statewide average.

Contact: Robin Snyderman, Metropolitan Planning Council, 25 East Washington, Suite 1600, Chicago, IL 60602 (312-822-5616).

South Carolina Enables Local Jurisdictions to Create Housing Trust Funds

The South Carolina legislature passed legislation this session enabling municipalities or counties throughout the state to create and operate a local or regional housing trust fund. Local governments are authorized to create an affordable housing trust fund, jointly form a regional housing trust fund, or join an existing trust fund.

No specific funding source is identified for creating the local or regional housing trust funds, but they may include funds available to local government through their budget authority, including bond proceeds.

Funds may be used to promote the development or rehabilitation of affordable housing, defined as any housing affordable to households earning no more than 80% of the area median income. In addition, preference must be given for housing affordable to households earning at or below 50% of median income, the development or rehabilitation of special needs housing or homeless housing. Funds may be used to match other funds from federal, state or private sources, including the state housing trust fund.

The legislation states that "a local government shall seek additional resources for housing programs and projects to the maximum extent practicable." The legislation also states that local governments are to administer housing trust funds through new or existing nonprofit organizations to encourage private donations, which must be used and accounted for in accordance with the legislation. Each trust fund must submit an annual report to the local government and to the public.

Governor Mark Sanford vetoed the bill, which was promptly overridden when the House voted 100-5 and the Senate voted 38-1 to override the Governor's veto. The Affordable Housing Coalition of South Carolina was elated with the outcome.

The Lowcountry Housing Trust in Charleston, a nonprofit corporation using state, federal, and private donations to support the production and preservation of affordable housing, is the model on which the bill is based. In just two years of operation, the Lowcountry Housing Trust has been able to commit more than $1.3 million into its three-county community (Berkeley, Charleston, and Dorchester counties). The Lowcountry Housing Trust has also been working with state-wide partners in an effort to establish similar housing trust funds in other regions of the state, including Greenville, Spartanburg, and Columbia, since the bill was passed.

Through a variety of grants and loans, the Lowcountry Housing Trust has assisted in financing the development of 324 affordable housing units. In addition, the Fund works with the Charleston Water System to implement an incentive program to reduce the cost of impact fees for housing developments serving households earning no more than the median income.

The Lowcountry Housing Trust provides financial and technical assistance to affordable housing developers and municipalities through a variety of programs. The Trust also supports a Predevelopment Revolving Loan Pilot Program to subsidize the production of affordable housing in its three county region. The Trust will make loans up to $10,000 for predevelopment expenses associated with the construction or rehabilitation of affordable housing.

Contact: Tammie Hoy, Lowcountry Housing Trust, PO Box 21163, Charleston, SC, 29413 (843-973-7285).

LOWCOUNTRY HOUSING TRUST

On May 23, 2007, Urban League Institute South Carolina and the Lowcountry Housing Trust hosted Housing for All: Developing Housing for the Workforce, a half-day conference that brought together regional developers, realtors, engineers, planners, government entities and housing providers to discuss the issues related to workforce housing, including local barriers, solutions, and implementation strategies.

More Dollars Go Into State Housing Trust Funds

Many state housing coalitions and other housing advocates are working to increase the dedicated revenues to existing state housing trust funds. These challenging campaigns often increase revenues going into the trust fund as initial steps to reaching their full objectives … building a stronger foundation for success in future years. Here are some updates from these winning campaigns:

IOWA

Local housing trust fund advocates in Iowa won another $2.5 million for the state housing trust fund. The funds come from the Rural Infrastructure Fund and is an increase in funding from last year. The campaign is seeking $6.7 million, phased in over three years from real estate transfer tax revenues.

Sixty percent of the funds go to match local housing trust funds and forty percent is reserved for project based applicants to the state housing trust fund. As many as eighteen local housing trust funds could be certified for state funding this year, so the demand is high and is expected to exceed available funds.

Funds last year supported MICAH house, new homeless shelter in southwest Iowa; the Dubuque housing trust fund to convert an historic apartment building into seven apartments for women with physical disabilities; the Polk County housing trust fund in rehabilitating several vacant homes previously owned by the housing authority; the Dallas County housing trust fund to rehabilitate at least 20 homes by offering five-year forgivable loans to homeowners, among many others.

Contact: Sheila Lumley, Polk County Housing Trust Fund, 409 S.W. 8th Street, Des Moines, IA 50309 (515-282-3233).

TENNESSEE

Housing advocates, along with the Tennessee Housing Development Agency (THDA), are working to rebuild the state's housing trust fund, devastated when the state faced extreme budget shortfalls.

The General Assembly appropriated $1 million for housing programs to THDA last year for the first time in eight years. THDA added another $12 million over a two-year period.

This legislative session, an additional $2.65 million was appropriated to meet the high demand for funds.

Some funds support existing programs, including: emergency repairs; a rural repair program; a homebuyer education initiative; and increasing accessibility for disabled persons. THDA received 61 proposals for $87 million in the remaining funds. This pent-up demand for housing dollars is having an influence on the state legislature.

THDA has developed fact sheets on "The Faces Behind the Fund." One fact sheet describes a $10,000 grant made for emergency repairs to a low-income elderly homeowner, giving her a new start with new windows, flooring, siding, kitchen cabinets, and floor leveling and bathroom improvements. The program is intended to stabilize elderly homeowners by making rapid, essential repairs to keep their homes livable.

Contact: Patricia Smith, Tennessee Housing Development Agency, 404 James Robertson Parkway, Suite 1114, Nashville, TN 37243-0900 (615-741-4979).

OREGON

The Oregon Low Income Housing Alliance made impressive gains this legislative session in working toward bi-partisan support, from both rural and urban areas of the state, for affordable housing. They also broadened their coalition and developed a strong working relationship with Oregon Housing and Community Services.

As a result another $26 million was appropriated for housing programs. Of this, $16 million in lottery backed bonds will be committed to developing new affordable housing and for funding services for people coming out of homelessness. Another $8 million in general funds will be used for the preservation of affordable housing around the state, with a priority on housing with existing rent subsidy contracts. And $2 million in general funds will restore money taken from the state's Housing Trust Fund in earlier sessions.

The Alliance campaigned for passage of HB 3551 which would have dedicated document recording fees to the state's Fund. It fell only three votes shy of passing in the House.

Contact: Janet Byrd, Neighborhood Partnership Fund, 1020 S.W. Taylor, Suite 680, Portland, OR 97205 (503-226-3001).

NEW MEXICO

The New Mexico Coalition to End Homelessness continued the win the commitment of the state to fund the Housing Trust Fund, which is only three years old. This legislative session another $2 million was dedicated to the state fund.

The Coalition sponsored an extensive post-card and letter-writing campaign to the Governor, involving homeless and other housing advocates. The Coalition is developing its strategy for the next legislative session to win a dedicated revenue source.

The housing trust fund supports single family home-owner and workforce housing development, rehabilitation, and rental housing, including special needs housing. A groundbreaking ceremony was held in June for Casas del Quinto Sol, a first of its kind located in the Vado/Del Cerro Colonia.

Contact: Hank Hughes, New Mexico Coalition to End Homelessness, P.O. Box 865, Santa Fe, NM 87504 (505-982-9000).

TEXAS

The Texas Low Income Housing Information Service and other housing stakeholders celebrated the end of their legislative session with an increase to $5 million a year for the state housing trust fund over each of the next two years.

The trust fund is the only state-funded resource for the development and preservation of affordable housing. It currently receives about $4 million a year and this victory reverses a nearly decade-long decline in funding for the trust fund. It also sets the groundwork for a major push for a dedicated funding source during the 2009 legislation session.

In addition to supporting rental housing, the trust fund commits $3 million a year to the Bootstrap Program, a homeownership program for households earning no more than 80% of the area median income. With the increase, additional funds are available to support rental housing, especially in the colonias. The campaign has an ambitious goal of reaching $30-50 million a year in dedicated revenue for the state housing trust fund.

Contact: John Henneberger or Karen Paup, Texas Low Income Information Service, 508 Powell St., Austin, TX 78703-5122 (512-477-8910).

Bend, Oregon Creates a Housing Trust Fund

The City of Bend, Oregon has created a housing trust fund by dedicating 1/3 of one percent of the valuation on a building permit in response to recommendations from the City's Affordable Housing Task Force. The funds are deposited in a special revenue fund and can only be spent for affordable housing programs and projects providing opportunities for households earning no more than 80% of the area median income.

The ordinance was created from a collaborative process involving representatives from the local builders association, the Chamber of Commerce, local realtors, and tenants in conjunction with affordable housing providers. The creation of the fund is in response to rapid growth and rising housing costs in Bend. Bend has experienced a 100% increase in home prices over the last five years and has grown from 52,000 in population to 75,000 in only three years.

The fund is estimated to generate some $2.5 million a year. The Request for Proposals has just been released. Applications will be accepted from property owners, private sector for-profit developers, certified Community Housing Development Organizations, and qualified nonprofit organizations.

All activities funded must be consistent with the Consolidated Plan: produce and preserve both renter- and owner-occupied affordable housing. Projects must aid in the production, rehabilitation, and/or preservation of renter- or owner-occupied housing or support homeownership for Bend's workforce through direct assistance to low- and moderate-income home buyers.

Funds will be available primarily as loans, long or short term. Under strict conditions, modifications may be approved to accommodate a project's specific needs.

It is anticipated that funds will be available in the fall of 2007.

In addition, the newly named Affordable Housing Advisory Committee was expanded from seven to nine members. Members include representatives from the building and development community as recommended by the Central Oregon Builders Association, the local business community as recommended by the Chamber, the local affordable housing development community, the local lending community, a tenant organization, the State of Oregon Housing and Community Services, and two at-large members.

The Affordable Housing Advisory Committee will score project proposals according to a formula, including general criteria, the degree to which the project meets funding priorities, and the amount of funding leveraged. High priorities are: increasing the supply of affordable housing that is available to low- and moderate-income households; supporting the acquisition of vacant and/or poor quality properties to rehabilitate for affordable housing; and providing housing to homeless and other special needs populations with the most urgent needs.

Eastlake Village is a 56-unit development serving households earning no more than 60% of the area median income in Bend. The Village was developed by Housing Works (the Central Oregon Regional Housing Authority), a public corporation providing housing opportunities in Crook, Deschutes and Jefferson Counties.

Contact: Jim Long, City of Bend, CDBG/Affordable Housing, 710 N.W. Wall Street, Ben, OR 97701 (541-312-4915).

Highland Park, Illinois Makes Advances with its Housing Trust Fund

Reaffirming the city's commitment to the Highland Park Affordable Housing Trust, Mayor Michael Belsky announced on April 9th that the Housing Commission would direct another $1 million to the City's housing trust fund. The allocation derives from equity tapped from the refinancing of the Peers Housing Development, owned by the Commission.

"The Affordable Housing Trust Fund is one of many tools Highland Park has developed to increase its supply of affordable housing. By providing a local source of grant funding, the development community is made aware of our intentions and the local funds can be utilized to leverage funding from County, State, and Federal sources," acknowledges Mayor Michael Belsky.

The Commission administers the Affordable Housing Trust Fund, which was established by the City in May 2002, a year after it had been recommended in the city's Affordable Housing Plan. Escalating housing prices and rampant redevelopment drove the City to adopt a number of tools to increase affordable housing opportunities.

Creation of the housing trust fund was followed by the establishment of a Community Land Trust in 2003; later that year, Highland Park became the first municipality in Illinois to enact a mandatory inclusionary zoning policy (for more on the policy, see HTF News Spring 2004). In 2006, the City was recognized for its comprehensive efforts to address the affordable housing needs of the community with an award from the American Planning Association.

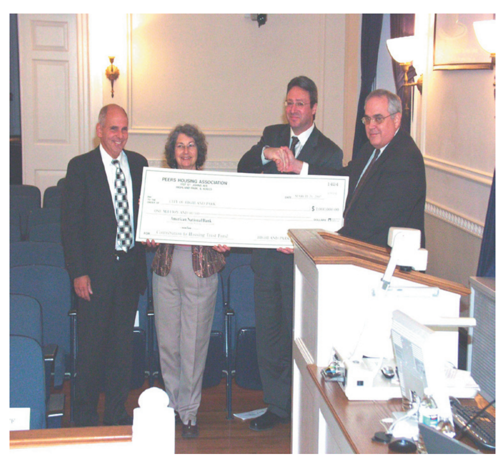
The recent allocation by the Housing Commission supplements on-going funding provided to the Affordable Housing Trust Fund by the city's Demolition Tax and Demolition Permit fees, imposed on all residential demolitions in Highland Park. The tax is $10,000 for single family homes and the greater of $10,000 or $3,000 per unit for multifamily properties. The City's action is in recognition that the demolition of existing buildings – defined as the removal or destruction of fifty percent (50%) or more of the structure or building and typically followed by luxury redevelopment -- reduces the diversity of Highland Park's housing stock and impacts the availability of affordable housing in the city. Projects can be exempted under specific circumstances.

To date, the demolition tax and permit fees have generated $2,918,014 for the Affordable Housing Trust Fund. The Fund has supported the Highland Park Community Land Trust; provided development grants creating six new townhouses and purchased and rehabilitated another two units; and acquired a 14-unit mixed income development.

Earlier this year, the City Council approved funding a development with affordable townhouses and apartments for households living or working in Highland Park. Sale prices for the townhouses were kept low because title to the land is held by the Community Land Trust, an effective example of how the programs complement each other. The project is also environmentally friendly, including the use of a geothermal heating and cooling system, reflective roofing, and energy-efficient appliances that will reduce energy needs – and costs – as well as a wind turbine that will power the lights in the building's common areas. Additionally, the project's location will shorten commutes and reduce pollutants for residents who work in town, as will its proximity to a metro station.

The "green" elements of the project, like the refinancing of City owned properties, reflect the city's commitment to ensure that its investments benefit the growth and development of Highland Park into the future.

Contact: Lee Smith, City of Highland Park, 1150 Half Day Road, Highland Park, IL 60035 (847-926-1612).



Mayor Michael Belsky presents the $1 million check to the Affordable Housing Trust Fund.

INDIANA *continued from page 2*

ily and Social Services; the Indiana Economic Development Corporation; home builders; the Office of Rural Affairs; residential developers; construction trades; mortgage lenders; the interests of persons with disabilities; service providers; two members representing neighborhood groups; low income families; nonprofit community based organizations and community development corporations; real estate brokers or salespersons; the Indiana Apartment Owner's Association; and the manufactured housing industry. Among the responsibilities of the Advisory Committee is the preparation of an annual report.

Our Indiana Home Campaign has been supporting dedicating public revenues to the state fund for years. Their website contains persuasive language directed to a broad audience. It explains what affordable housing is and what it is not; it describes how affordable housing is part of the community and why it is good for the economy. With quotes from individuals representing selected industries, it focuses on lending institutions, developers, realtors, and community developers.

The website also describes how affordable housing impacts seniors, young couples, working families, single parents, people with disabilities, and persons and families experiencing homelessness. Cushioned with the Advisory Committee report and its section on why investing in the state's Affordable Housing and Community Development Fund is a valuable return on Indiana's housing dollar, the case was made. And it paid off, with a victory for Indiana.

Contacts: Christie Gillespie, Indiana Association for Community Economic Development, 2105 N. Meridian Street, Suite 102, Indianapolis, IN 46202 (317-920-2300); Fred Hash, Great Lakes Capital Fund, 320 N. Meridian Street, Suite 1011, Indianapolis, IN 46204 (317-423-8880); www.ourindianahome.org.

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