

HOUSING TRUST FUND PROJECT



Center for Community Change

Maine Advocates Win Largest Housing Bond in State History

The Maine Affordable Housing Coalition and its allies recently completed a campaign for a major affordable housing initiative, which passed the state legislature and was signed by the Governor this June. The Act enables a \$30 million bond for the construction and rehabilitation of highly energy efficient, affordable housing—the state's largest single investment in affordable housing in Maine's history.

The Maine Affordable Housing Coalition is a diverse coalition of

about 40 developers, community action agencies, public housing authorities, investors, housing and service providers, advocates and others committed to ensuring that all Mainers are adequately and affordably housed. Initially formed in 2000, the coalition has commissioned numerous reports and hosted several public forums about the affordable housing crisis.

The bond will be used to provide critically needed housing to low income people throughout the state, bring jobs back to the hard-hit construction sector, and significantly improve the energy efficiency of Maine's housing stock. The campaign brought together construction, energy, labor, housing and anti-poverty interests, was championed by Senate President Libby Mitchell, Senator Phil Bartlett and House Speaker Hannah Pingree, and received broad, bipartisan support from the legislature.

An Act Regarding Maine's Energy Future (LD1485) is primarily intended to reduce statewide energy costs. In addition, the legislation creates the Maine Energy, Housing and Economic Recovery Fund to



Avesta Housing sponsored this elderly housing project on the Presumpscot River. This home provides quality affordable living, and also aids in the revitalization of Lower Falls Village. All units are one-bedroom with Energy Star appliances and views of the river.

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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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pay the debt service on the bonds and maintains the state's existing housing trust fund, the Housing Opportunities for Maine Fund (the HOME Fund). Both are administered by the Maine State Housing Authority.

Under LD1485, the Maine State Housing Authority is authorized to begin issuing bonds in FY2010-11 for the Maine Energy, Housing and Economic Recovery Fund. The Authority may issue revenue bonds of \$30 million to support the construction or substantial rehabilitation of multifamily affordable rental housing units and to replace manufactured housing units that do not meet current federal housing codes.

Each year, the director of the Maine State Housing Authority is to report to the Legislature on the status of the Maine Energy, Housing and Economic Recovery Fund. The report must include the amount of revenue bonds issued; the type, location and cost of projects receiving bond proceeds; the number of housing units created by each project; the number of direct construction jobs created or maintained by each project; the amount of direct construction wages paid in creating or maintaining those jobs; and the total amount of building materials purchased in the development of each project.

State law in Maine requires that 45% of state revenues collected through the transfer tax on real property by deed be committed to the Housing Opportunities for Maine Fund. Regardless, the law has been regularly amended by the Legislature to take money away

from the HOME Fund and place it in the General Fund. According to the Maine Affordable Housing Coalition, over the last ten-year period (from FY2000 through projections for FY2009) more than \$44 million has been diverted from the HOME Fund, raising concerns about its sustainability.

In FY2008, the HOME Fund awarded \$7.4 million for home buying assistance, home improvements, homeless assistance, and supportive housing assistance. It has consistently been lauded as the only state money the Maine State Housing Authority receives on a regular basis that helps finance housing for those most in need. The HOME Fund has supported both operating costs and capital costs for affordable housing. State housing advocates believe the HOME Fund will enable the state to target housing funds to those most in need and facilitate the use of National Housing Trust Fund dollars.

As part of the Coalition's affordable housing bond campaign, it published *"An Analysis of the Economic Impacts of a Proposed Affordable Housing Program for Maine."* The report was written by a highly regarded local economist and documents the number of jobs that will be created and maintained through an investment in housing.

Housing advocates from Maine People's Alliance, Avesta Housing, Homeless Voices for Justice and Community Housing of Maine, among many others, lent their support to this major victory for affordable housing in Maine.

Contact: Greg Payne, Maine Affordable Housing Coalition, 307 Cumberland Avenue, Portland, ME 04101 (207-553-7777 x211) www.mainehousingcoalition.org.

Wisconsin Passes Tax Increment Financing Legislation for Local Housing Trust Funds

Included in the Wisconsin state budget, signed by Governor Jim Doyle at the end of June, is Wisconsin Act 28 which allows tax increment financing to be used to fund affordable housing in cities throughout the state. This victory was spearheaded by housing trust fund advocates in Milwaukee, but the Act will benefit municipalities throughout the state!

The Act enables municipalities to extend the life of expired tax increment districts for one additional year and use the funds to support affordable housing. Advocates succeeded in convincing legislators by stressing that the Act would not cost one penny of state funds to implement; that every region of the state is currently struggling to provide affordable housing; that providing a much needed source of ongoing revenue to support affordable housing will create new jobs and bring new economic vitality to the state; and that the successful Milwaukee housing trust fund illustrated that for every \$1.00 of housing trust fund money spent on affordable housing, an additional \$18.00 has been leveraged.

The Act requires a city to adopt a resolution extending the life of the tax increment district and specify how the city intends to improve its housing stock. This resolution is forwarded to the state Department of Revenue so that the allocation of tax increments to the district will be continued. At least 75% of the increments received are to benefit affordable housing in the city and



UNITED METHODIST CHILDREN'S SERVICES

The United Methodist Children's Services has received funding from the Milwaukee Housing Trust Fund. UMCS is expanding its affordable housing in the Washington Park neighborhood with these townhomes under construction, helping with the revitalization efforts in the community.

the remaining 25% is to be used to improve the city's housing stock.

The passage of this Act is a direct result of the housing trust fund campaign in Milwaukee and the success of the Milwaukee Housing Trust Fund. That campaign began in 2004 with a diverse coalition including more than 130 endorsers of the Fund. Its efforts include an on-going list of tools and actions that kept the campaign visible throughout this period and focused on winning additional revenues for the Milwaukee Housing Trust Fund.

The Milwaukee Housing Trust Fund was created at the end of 2006--capitalized with \$2.9 million in funds generated through bonds. The bonds were to be repaid from Potawatomi Casino and tax increment financing revenues. Since then, energies of the coalition have focused on securing sustained sources of revenue for the fund.

This year, the Milwaukee Housing Trust Fund has awarded nearly \$1 million to nine projects expected to create 133 units of affordable

housing and leverage another \$17 million. The Trust Fund received 26 proposals seeking \$4.9 million. Among the awards made are: \$250,000 to Bishop's Creek Family Housing for 55 units of rental housing for low-income earners at a former tannery site and a grant of \$100,000 to Martin Luther King Economic Development Corporation for construction of 24 units of rental housing for low-income families. Other grants are supporting owner-occupied housing rehabilitation, a new residential substance abuse treatment facility, energy improvements to homes, and assistance to four homes in foreclosure.

Basking in this victory for the moment ... the Milwaukee Housing Trust Fund Coalition will now begin work with the City Common Council to take the necessary steps enabled by this important state legislation. Every expectation is that other cities throughout the state will as well.

Contact: Michael Saika, YMCA-Urban Campus, 1350 W. North Ave, Milwaukee, WI 53205 (414-274-0749) www.ymcacdc.org.

AIM Wins Increased Funding for Montgomery County's Housing Initiative Fund

Action in Montgomery celebrated the announcement of an increase in funding for the Montgomery County, Maryland's Housing Initiative Fund. AIM has been advocating for increased affordable housing funding since the early 2000's. They won a commitment by the County Executive in 2007 to expand the Housing Initiative Fund to \$80 million by fiscal year 2010. And in March 2009, Montgomery County Executive Isiah Leggett agreed to propose adding another \$19 million for the County's Housing Initiative Fund. A total of \$57.8 million is recommended for FY2010—a record high for the fund!

Funding for the Housing Initiative Fund comes from a Joint Resolution dedicating 2.5% of the property tax to the housing trust fund. Additional revenues come from payments and recaptures from the Moderately Priced Dwelling Unit Program, mortgage and loan

repayments, pooled investment income, condominium transfer tax, recordation tax, and developer approvals.

The Housing Initiative Fund was created in 1988 to expand housing for residents with special needs, encourage mixed income communities and make sure that housing programs build neighborhoods and not just housing units. The Fund is administered by the County's Department of Housing and Community Affairs. A Loan Committee is made up of citizens, bankers and others to review and act on staff recommendations. HIF funding is available throughout the year and can be used for pre-development, bridge, acquisition and permanent financing.

In the latest report for the Housing Initiative

Fund: five awards preserved the affordability of privately owned and federally subsidized housing; six awards helped the Housing Opportunities Commission and nonprofit housing developers to purchase moderately priced dwelling units to rent to low and moderate income households; seven awards helped preserve and rehabilitate rental apartment buildings; and eight awards helped preserve or create housing for the elderly.

Action In Montgomery is a multi-racial, multi-faith, non-partisan, County-wide citizens' organization, rooted in local congregations and associations. AIM is affiliated with the Industrial Areas Foundation (IAF), the oldest and largest national, congregation-based, community organizing network in the United States.

Contact: Alisa Glassman, Action in Montgomery, 8900 Georgia Avenue, Silver Spring, MD 20910 (301-588-0330) www.actioninmontgomery.org.



ACTION IN MONTGOMERY

Action in Montgomery members meet with Montgomery County Executive Isiah Leggett.



Montgomery County Coalition for the Homeless was awarded two HIF loans to purchase eight units in Silver Spring and ten units in North Bethesda. The units are now being used as permanent, supportive housing for very low income persons with mental disabilities.

MONTGOMERY COUNTY COALITION FOR THE HOMELESS

Washington Increases Document Recording Fee for Homeless Funds

Washington Governor Christine Gregoire signed HB 2331 adding an additional document recording fee of \$20 to real estate transactions in order to maintain funding for state and county homelessness programs. Without this additional revenue, critical state programs providing emergency or short term assistance to those facing homelessness would have been eliminated. The fee increase is anticipated to generate approximately \$20 million for the state and \$32 million for county homelessness programs each year for the next four years.

The Washington State Coalition for the Homeless and the Washington Low Income Housing Alliance campaigned for passage of the bill with strong support from the Speaker of the House. Compelling advocacy testimony and letters and calls from advocates throughout the state ensured passage and the Governor's support.

Sixty percent of the revenues stay with the county to be deposited into a fund that must be used by the county and its cities and towns for activities of the homeless housing plan. Six percent may be used by the county for administrative costs. Cities may elect to operate their own local homeless housing programs and are then given a percentage of the surcharge.

The remaining forty percent goes to the state for deposit in the home security fund account. The Department of Community, Trade and Economic Development

Housing Division may use 12.5% for administrative costs, including the costs of creating the statewide homeless housing strategic plan, measuring performance, providing technical assistance to local governments, and managing the homeless housing grant program.

The bulk of the funds are to provide housing and shelter for homeless people including, but not limited to: grants to operate, repair, and staff shelters; grants to operate transitional housing; partial payments for rental assistance;



DSC

Downtown Emergency Service Center's latest residential development is Rainier House in Seattle. It has become home to 50 men and women--all of whom were formerly homeless and diagnosed with severe mental illness.

consolidated emergency assistance; overnight youth shelters; and emergency shelter assistance along with the homeless housing grant program.

The Homeless Grant Assistance Program, created by the Housing and Homelessness Act of 2005, provides grants to Washington State counties for innovative projects that reduce homelessness and demonstrate systems change. The program is administered by the Department of Community, Trade and Economic Development. CTED began contracting with

Building Changes in 2006 to facilitate a peer assistance network among the grantees of the program. Building Changes coordinates meetings and workshops among the various project administrators and staff, maintains an informational list-serve and online resource library, and documents the design and implementation of each project.

Examples of projects supported through the Homeless Grant Assistance Program include \$874,610 awarded to Grant County to implement a low barrier

housing first model to serve at least 25 high-needs households per year, providing them the services and support needed to remain housed and achieve maximum self-sufficiency. Another \$994,650 was awarded to Thurston County for the Empowering Change through Housing and Opportunities Project to provide transitional housing and services to 22 high-risk youth annually exiting correctional or court systems.

Contact: Mia Navarro Wells, Washington State Coalition for the Homeless, P.O. Box 7436, Tacoma, WA 98417-0436 (253-761-7446) www.endhomelessnesswa.org.

Texas Housing Advocates Win Another \$10 Million for State Housing Trust Fund

Texas housing advocates concluded the 2009 legislative session with \$10 million more in state funds for the Texas Housing Trust Fund. The state fund will receive \$21.9 million over the two-year biennium, compared to approximately \$11.7 million received during the FY08-09 biennium.

The housing trust fund campaign was a broad coordinated partnership among Housing Texas, TxLIHIS, Habitat for Humanity Texas, financial institutions (including J.P. Morgan Chase), and a range of advocacy groups, including the Texas Council on Family Violence, The Texas Affiliation of Affordable Housing Providers, the Texas Association of Community Development Corporations, and the Association of Rural Communities in Texas, along with more than 125 endorsers.

The Texas Housing Trust Fund is the only state funded resource for the development and preservation of affordable housing. The Texas Department of Housing and Community Affairs administers the trust fund (using approximately \$600,000 each year for administration) and is required to allocate funds according to these restrictions:

- At least \$3 million each fiscal year must be transferred to an owner-builder revolving fund (more commonly known as the Bootstrap Program).
- The first \$2.6 million available in each biennium is to be set-aside for local units of government, public

housing authorities, and nonprofit organizations.

- At least 45% of available funds in excess of the first \$2.6 million is to be made available to nonprofit organizations.
- If the remaining funds exceed \$3 million each application cycle, they must be allocated according to a regional allocation formula.

The Texas Housing Trust Fund served approximately 200 households each year over the last biennium and leveraged hundreds of millions in additional funding. The Housing Trust Fund supports sweat equity housing for working Texas families willing to build their own homes; returning veterans who are establishing a home in Texas; families in southeast Texas recovering from Hurricane Rita and needing a financial bridge between federal resources and a restored home; persons with disabilities seeking a place to live independently; and rural Texas communities needing local affordable rental housing opportunities.

Housing Texas set an ambitious goal of securing \$30-\$50 million in dedicated funding to support the state's housing trust fund. A \$10 increase in the state document recording fee could generate \$40 million a year for the state housing trust fund. Following several meetings with the Lt. Governor David Dewhurst, the goal was altered to one-time funding. The increased funding is a reversal of a nearly decade-long decline in

funding for the Housing Trust Fund. It also sets the groundwork for a major push for a dedicated funding source during the 81st legislative session. Over the interim, housing advocates will be working together to ensure the additional funding is maximized to benefit low-income families in need.

Housing Texas created a video on the need for an expanded Texas Housing Trust Fund. The video makes the case for increased funding by illustrating the impact of a housing trust fund and the valuable affordable housing programs that are supported by nonprofit housing developers such as Habitat for Humanity, Foundation Communities, Dallas City Homes and Lower Valley Housing Corporation that use housing trust fund dollars. Most effective is the testimony of the families themselves as they work to overcome a housing crisis for a life of hope and dignity with a hand up from the housing trust fund programs.

This victory sets a new higher funding precedent for the state of Texas. Today's victory for all of Texas sets the stage for future growth and success with the Texas Housing Trust Fund.

Contact: Kristin Carlisle or John Henneberger, Housing Texas, 508 Powell St, Austin, TX 78703-5122 (512-477-8910) x4, www.housingtexas.org.

New Jersey Advocates Win Passage of County Homeless Trust Fund Bill

After two and one-half years, the New Jersey Advocacy Network to End Homelessness succeeded in winning legislative approval of the County Homeless Trust Fund bill. The bill is now before Governor Jon Corzine for signature, which is expected.

The County Homeless Trust Fund will allow counties that have developed plans to address homelessness to access a recurring source of funding. Counties may impose a \$3 surcharge on each document recorded within the county for deposit into the county homelessness trust fund. The funds must be used for programs that are consistent with local plans and will measurably reduce homelessness while demonstrating cost savings over time.

Advocates believe that by focusing the trust funds on proven strategies, this initiative will play a crucial role in helping to shift the current homeless delivery system from one that manages homelessness to one that will end homelessness.

Funds may be used for:

- acquisition, construction, or rehabilitation of permanent affordable housing for homeless persons or families, including those at risk of homelessness;
- rental assistance vouchers, including tenant and project based subsidies; and
- supportive or prevention services as may be required by at risk or homeless individuals or families so that they can obtain and maintain

permanent affordable housing. Five percent of the funds may be used to cover administrative costs.

The New Jersey Advocacy Network to End Homelessness developed a question & answer sheet on the Homeless Trust Fund bill, collected endorsements, created a fact sheet, and background information. Nearly 150 organizations and county executives and boards endorsed the bill.

The Network explained that the paths into homelessness are many, ranging from the onset of illness to natural disasters. It is experienced by veterans returning from war, people who have lost their jobs, people with disabilities left on the streets, and families evicted from their homes. Yet the path out of homelessness relies on programs funded by HUD's Homeless Assistance Grants and state funds.

Locally funded Homeless Trust Funds can leverage scarce funding and ensure success in ending homelessness. Supplemented by dedicated staff, volunteers, and resources from the private sector and local, state and federal governments, locally funded Homeless Trust Funds in New Jersey could help thousands of families and individuals move into permanent housing. By providing a healthier, more stable living environment, homelessness programs can reduce public costs for hospitals, emergency rooms, law enforcement and foster care systems.

The New Jersey Advocacy Network to End Homelessness' mission is to advocate on a local, state and federal level for adequate funding and sound practices that will end homelessness.

Contact: Richard W. Brown, New Jersey Advocacy Network to End Homelessness, 29 Alden Street, Suite 1B, Cranford, NJ 07016-2156 (908-272-5363 ext. 225) www.njaneh.org.

NEW JERSEY ADVOCACY NETWORK TO END HOMELESSNESS



New Jersey homeless advocates review their accomplishments during Lobby Day at the state capitol, sponsored by the New Jersey Advocacy Network to End Homelessness.

Tempe, Arizona Begins Action on Housing Trust Fund

A promising beginning has been made toward establishing a sustainable housing trust fund for Tempe, Arizona. On June 11, 2009, Tempe City Council appointed the City's first Housing Trust Fund Advisory Board which will have the responsibility of working with City staff and the community to identify a funding source to fill Tempe's Housing Trust Fund.

Tempe adopted resolutions on January 22, 2009 that authorized the creation of a Housing Trust Fund for the purpose of funding affordable housing activities and the appointment of the Advisory Board. This new Housing Trust Fund and the Advisory Board, whose charge is to actively seek revenue sources and promote affordable housing, is a pivotal step in providing affordable housing in Tempe.

The Tempe Housing Trust Fund Advisory Board has seven members and will be staffed by the Community Development Manager. Three members have experience or expertise in the area of real estate lending practices, the area of housing development or construction best practices, and rental housing. The remaining four members have experience or expertise in housing related issues.

The Housing Trust Fund Advisory Board will:

- Assist and advise the Community Development Manager with establishing the goals of the housing trust fund and establishing essential policies, rules



and regulations to implement and operate the housing trust fund;

- Review applications for funding and make recommendations;
- Advise the Mayor and City Council, at least annually, on the expenditures, accomplishments and activities of the Housing Trust Fund; and
- Make recommendations to the Mayor and City Council of qualified and interested persons eligible for appointment to commission vacancies.

The creation of a housing trust fund was one of the recommendations in the City's "Affordable Housing Strategy Plan," which was adopted by City Council in spring 2007. On May 15, 2008, the Mayor and Council directed Community Development staff to draft the legal framework for a Housing Trust Fund.

The purpose of the Housing Trust Fund is to provide financial resources to address the affordable housing needs of individuals and families of low and moderate income, provide housing related

services to these households, and provide support for nonprofit organizations that actively address the affordable housing needs of low and moderate income households.

Preference will be given to proposals that provide the longest term of affordability, that maximize the use of leveraged funds, and that further the policies of the Advisory Board. The fund will be administered by the Community Development Department, Housing Services Division.

Tempe has taken these actions because a growing percentage of Tempe residents are unable to meet or maintain the income level necessary to continue residing in Tempe. In recent years, economic forces have discouraged a diverse housing stock. The City recognizes the need to provide alternative housing opportunities in order to maintain the diversity of Tempe.

Contact: Liz Chavez, Tempe Community Development Department, Housing Services Division, 21 E. 6th Street, Suite 214, Tempe, AZ 85281 (480-350-8950).

Affordable Housing Construction Boosts Oregon Economy

Public investment in affordable housing development generates significant economic benefit, creates jobs and supports local business, Victor Merced, Director, Oregon Housing and Community Services, observed at the release of his department's newly published report, *"Housing as an Economic Stimulus."* *"Each dollar our agency invests in housing creates \$11 in benefit to the Oregon economy,"* according to Merced. *"And that doesn't include the immeasurable benefits to an individual or family of having a safe, quality, affordable home."*

"Housing as an Economic Stimulus" explores the economic and community benefits of affordable housing. Each dollar spent on affordable housing helps to revitalize family incomes, business revenues and government coffers. Housing recipients benefit from reduced risk of homelessness, safer neighborhoods, improved physical and mental health, and raising motivated children who succeed at school and in life.

The report focuses on the benefits of three innovative housing projects, supported by Oregon Housing and Community Services funding.

- **New Winds in Florence:** an 18-unit complex for persons suffering from severe mental disabilities. New Winds provides a complete array of support services combined with case management to ensure long-term stability for its residents.

- **The Watershed at Hillsdale in Portland:** a 51-unit project providing a mix of commercial space with affordable housing for seniors and formerly homeless veterans. Green-building techniques help make this project cost-friendly for residents as well as providing a healthier living environment.

- **Conifer Gardens in Medford:** a 52-unit development is home to seniors earning less than 50% of the area median income. The complex features resident services and community involvement.

The report outlines for each project: funding options, project development impacts, hard and soft costs of construction, jobs created by each project, economic impacts on residents and communities, and environmental impacts of green building. The three housing projects generated more than 200 local jobs and almost 250 jobs statewide.

Every \$13,000 that OHCS invests in housing creates about one local job—a significant impact since OHCS invests in excess of \$900,000 on average in a housing project. Over the past five years, OHCS and its private sector funding partners financed more than 11,000 units of affordable housing for

a total development investment of \$375 million.

Oregon Housing and Community Services is the state's housing finance agency and community services program administrator. The department provides financial and program support to create and preserve opportunities for quality, affordable housing serving Oregonians of lower and moderate income, and administers federal and state antipoverty, homeless, energy assistance and community service programs. OHCS also administers the state's housing fund.

Contact: Bob Gillespie, Oregon Housing and Community Services, 725 Summer Street, NE, Suite B, Salem, OR 97301 (503-986-2106). The report is available at: www.ohcs.oregon.gov.

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING



The Watershed @ Hillsdale in Portland was built by Community Partners for Affordable Housing. Watershed has already won a Leadership in Energy and Environmental Design silver certificate and the Gold Nugget award from the Pacific Coast Builders Conference for sustainability.

Marin County, California Workforce Housing Trust Fund Issues First NOFA

The Marin County (California) Workforce Housing Trust has issued its first notice of funding availability for \$3 million in low-interest affordable housing financing.

“The Workforce Housing Trust’s NOFA is a first in Marin and represents several years of hard work in pioneering this through,” said Judy Arnold, Marin County Board of Supervisors and member of the Board of Directors for the Marin Workforce Housing Trust. *“In these tough economic times, being able to offer loans for affordable units is even more critical, and my hope is it will spearhead builders to invest in affordable housing for our workforce in Marin County.”*

The Marin Workforce Housing Trust was created in 2004 to expand workforce housing in Marin County. The Trust was spearheaded by a group of concerned employers who formed a partnership with the Marin Community Foundation and the County of Marin. To date, the first \$3 million of an initial \$6 million

In 2009, the Fair Market Rent for a two bedroom in Marin County was \$1658 per month, affordable to households earning at least \$66,320 per year, or in other words working 159 hours per week at minimum wage.



EAH

The Ecumenical Association for Housing built these affordable homes in Point Reyes Station of Marin County. The Merritt Community Capital Corporation awarded these homes Project of the Year in 2006. The Ecumenical Association for Housing works to create balanced communities with affordable housing. EAH is a non-profit corporation founded in 1968 and has become one of the largest and most respected nonprofit housing development and management organizations in the western United States.

goal has been raised. Every dollar contributed to the Trust is matched by both the County and the Marin Community Foundation.

Eligible recipients may be nonprofit housing developers, for-profit housing developers building affordable units as part of a larger development containing market-rate units or commercial development, and employers who are building affordable units for their own workforce.

Loans are targeted to fill critical gaps in existing affordable housing finance, as first-in money to purchase land, secure sites and fund pre-development work and as last-in money to close the funding gap for developments that otherwise would not be able to be built. When construction is complete the loans are repaid and reinvested in other projects. Maximum loan amounts for five categories of loans have been established: seed/catalyst

loans, predevelopment, acquisition, construction, and mini-permanent.

Funding is divided into two pools. At least 30% of Pool A will be set aside for housing affordable to people earning less than 30% of Marin County’s area median income and at least 30% to support developments for priority populations, including elderly, disabled, female-headed households, large families, farm workers, and homeless families. Pool B will support activities related to the development of either rental or ownership housing for households earning 80% of the area median income or less.

Contact: Linda Wagner, Marin Workforce Housing Trust, 555 Northgate Drive, Suite 245, San Rafael, CA 94903 (415-448-0370) www.mwht.org.

Update on the National Housing Trust Fund Campaign

During a national teleconference to supporters of the National Housing Trust Fund (NHTF), Sheila Crowley, President of the National Low Income Housing Coalition (NLIHC), reported on the status of the \$1 billion to capitalize the NHTF.

While the statute creating the NHTF designated an initial dedicated source of funding to come from a small portion of the unpaid principle balance of new business purchases made by Fannie Mae and Freddie Mac, the transfer of those funds has been suspended.

The NHTF campaign remains committed to the goal of securing \$15 billion per year to sustain the National Housing Trust Fund.

President Obama's proposed budget for FY2010 included a one-time \$1 billion to capitalize the National Housing Trust Fund. The source of that \$1 billion was not specified in the original budget documents. Recently the Administration announced that it proposes the \$1 billion to come from Ginnie Mae's \$9 billion reserves. Ginnie Mae is the secondary market for FHA loans; given the high volume of FHA loans made during this credit crisis its reserves have grown.

The Administration proposed that the \$1 billion would be on the "mandatory" side of the budget (along with other mandatory allocations such as Social Security and Medicare). The "discretionary" side of the budget requires spending to be approved through one of the twelve appropriations



committees. Placing the \$1 billion on the mandatory side means that, once approved by Congressional authorizing committees (anticipated to take place before Congress recesses in November or December) funds would automatically be available without going through the appropriations process.

The Administration is not seeking a HUD appropriation for this \$1 billion, and the NHTF campaign will stand firm in its commitment to ensure the NHTF does not compete with other HUD programs for funding.

In its FY2010 Budget Resolution, Congress determined that the \$1 billion should be subject to "pay-go" – requiring an "off-set" of an equal amount of cuts from somewhere else in the budget.

Representative Barney Frank, Chairman of the House Financial Services Committee has identified a new source of funds that is within the purview of his committee that can be used for this purpose.

Chairman Frank has submitted H.R. 3068, the "TARP for Main Street Act of 2009" which would direct \$1 billion to the NHTF.

TARP (the Troubled Asset Relief Program) was created in October 2008 as part of the Emergency Economic Stabilization Act to bail out struggling financial institutions. Some of those transactions are now producing dividends to the federal treasury. Chairman Frank is proposing that \$1 billion of the dividends paid by financial institutions assisted by TARP be used as initial capitalization for the NHTF.

H.R. 3068 is cosponsored by Representatives Maxine Waters (CA), Dennis Cardoza (CA), and Nydia Velasquez (NY). A hearing on the bill is scheduled for July 9.

The National Housing Trust Fund statute requires HUD to make the NHTF distribution formula available by July 30 of this year. HUD's Office of Policy Development and Research has held off release of the formula, pending updated Census data. HUD will make the distribution formula available by the statutory deadline, at which point jurisdictions will know how much to expect from the \$1 billion. Regulations governing the implementation of the National Housing Trust Fund have been drafted by HUD.

More information on the National Housing Trust Fund is available from: www.nlihc.org or www.communitychange.org/our-projects/hnf.