



Center for Community Change



Housing Trust Fund Project

Kalamazoo Homeless Advocates Win Additional Funds

Some 313,000 people live in Kalamazoo City and County in the southwest corner of Michigan's lower- peninsula. It is home to the Kalamazoo Homeless Action Network (KHAN) and the Michigan Organizing Project (MOP) who refuse to allow the needs of the homeless people living there to be ignored.

The Kalamazoo County Commission took another step to house homeless individuals by

approving a \$250,000 challenge grant for the Local Housing Assistance Fund. Kalamazoo County will match dollar for dollar every investment by the end of August 2008, up to the \$250,000 cap. Kalamazoo City, any foundation investments, contributions from individuals, nonprofits, banking institutions, other businesses and employers, township boards ... anyone is eligible for meeting the challenge.

2008 WINTER

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KALAMAZOO COLLECTIVE HOUSING



Kalamazoo Collective Housing owns this cooperative on Walnut Street--their second house. The house contains eight bedrooms and two bathrooms with easy access to the metro transit bus system.

In 2003, the City of Kalamazoo committed \$250,000 to start the fund, but wanted participation from other jurisdictions. Late in 2006, the County joined in creating the Housing Assistance Fund, by committing \$500,000 over two years. The Michigan State Housing Development Authority committed another \$500,000 in matching funds from a state program designed to

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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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address low income housing needs throughout the state.

The KHAN and MOP campaign kept homelessness in the public eye throughout 2007. KHAN members testified, walked picket lines, and camped in front of City Hall all summer. MOP has continued its work on behalf of undocumented immigrants and organized a campaign for a new dental clinic for poor people, during which KHAN members testified about the medical needs of the poor. Both MOP and KHAN members testified at County Commission meetings and elsewhere, lobbying for funds to support affordable housing.

The current decision occurred on the heels of a nine-month battle over tickets given to homeless residents for sleeping in Bronson Park in Kalamazoo—a park ordinance prohibits sleeping in the park between 9 p.m. and 7 a.m. Some defendants pleaded guilty, paid fines, received non-reporting probation and are banned from the park for a year. One case is on appeal. The judge did find that the City had to show that beds were available at a shelter and that those ticketed knew there was space for them there.

The Kalamazoo Gazette, in a feature year-end article, acknowledged “people [who] take actions to support their causes” and highlighted KHAN’s efforts. The Gazette noted that the struggles of those who are homeless were sadly illustrated by the tragic death of Barbara Davis who was found dead on the steps of the Kalamazoo County Courthouse last October. This college-educated career woman lived in her car until it was impounded, sought refuge at the

Gospel Mission for about a week, then her body was found curled up on the public steps.

Significantly as part of the campaign, two KHAN members, Angie Suarez and Jonathan Braun—both of whom are homeless—ran for city commission as write-in candidates on a platform advocating for homeless, and working to abolish the park ordinance.

The Local Housing Assistance Fund is used to support a housing voucher program and limited housing development to enable the community’s homeless to access available housing. The Kalamazoo County Public Housing Commission administers the fund and has promised to seek dedicated long term funding source for the Fund. With a total of \$1 million, more than 90% of the funds have been used to provide housing assistance. The MSHDA funds are for bricks and mortar for chronically homeless housing and is being used for an eleven-unit project which will be available late in 2008 or early 2009. Eighteen housing vouchers were made available in 2007 which will increase to 40 vouchers in 2008 (including renewal of the original eighteen). The remaining ten percent of the funds is being used for administrative costs and beginning the establishment of an endowment fund.

Eight sponsoring organizations assist individuals with filling out applications. Applicants are required to complete a one-page plan of steps they intend to take to reach more independence. Once a recipient has

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FUNDING

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Indianapolis First in State to Take Advantage of State Enabling Legislation

The Indianapolis/Marion County Council, in its last meeting of the year, became the first housing trust fund in Indiana to take advantage of enabling legislation passed by the state legislature in 2007. In funding the state's Affordable Housing and Community Development Fund, the Indiana General Assembly also enabled counties in the state to increase the document recording fee for affordable housing trust funds.

The Indianapolis/Marion County housing trust fund was established in 2000 and receives dedicated revenues from electronic filing fees for property sales disclosure forms, redevelopment tax revenues, along with a recent commitment of funds from the Health and Hospital Corporation of Marion County.

Now it can anticipate an additional \$1 million from the document recording fee revenues committed to the housing trust fund by the City/County Council in its December meeting. These additional revenues could bring total funding to nearly

\$2.5 million a year.

According to the state enabling legislation, 60% of the revenues generated from the increase in document recording fees can be retained by the local housing trust fund and the remaining 40% goes to the state trust fund.

The Indianapolis/Marion County Council increased the fee to the allowed additional \$2.50 for the first page and \$1.00 for each subsequent page of real estate transactions. According to the Coalition for Homelessness Intervention and Prevention, the fee would add \$3.50 to the average deed of two pages or \$21.50 to the average mortgage document of 20 pages.

An eleven-member advisory committee oversees the implementation of the trust fund. Members include appointments from the Mayor's Office, the Metropolitan Development Commission, the Coalition for Homeless Intervention and Prevention of Greater Indianapolis,



The mission of Horizon House is to be an advocate for homeless neighbors and to provide personalized services that empower them to permanently end their homelessness.

Local Initiatives Support Corporation, Indianapolis Coalition for Neighborhood Development, and the Indianapolis Neighborhood Housing Partnership.

The housing trust fund has supported through its Rental Assistance Program, five organizations, including: the Horizon House, Forest Manor Multi-Service Center, Concord Neighborhood Center, Community Alliance for the Far Eastside, and the Homeless Initiative Program. The Fund's first grants supported three organizations assisting families experiencing homelessness or in housing crisis—these grants were matched by The Indianapolis Foundation.

At least half of the funds allocated for housing must be devoted to units occupied by those with incomes at or below 50% of the county's median income.

Contact: Kimberly Wize, Coalition for Homelessness Intervention and Prevention, 3737 N. Meridian Street, Indianapolis, IN 46208 (317-630-0853).

MARION COUNTY HOUSING TRUST FUND A HOME WITHIN REACH



Michigan Commits Funds to Housing and Community Development Fund

Michigan took an initial step toward building a state housing trust fund with a \$2 million commitment to the Housing & Community Development Fund, passed by the legislature and approved by the Governor late in 2007. The Housing & Community Development Fund was established in 2004 when the legislature gave the Michigan State Housing Development Authority the power to create and implement the fund.

The first commitment of funds is a victory for the Living in Michigan Coalition after a successful advocacy day in May with hundreds of supporters participating in a “Lunch On The Lawn” at the state capital. House democrats publicly announced in April that the Fund was part of their “Road Map to Michigan’s Recovery” plan.

“We all know Michigan is in a serious budget crisis today,” said Ken Bensen, Chairperson of the Coalition for Michigan’s Housing and Community Development Fund. “In order for

the state to have a serious economic turnaround, Michigan must put money into the state and not just look at cutting away programs and services.”

The Michigan State Housing Development Authority is required to create an allocation plan to determine how funds are distributed throughout the state. The plan is to be based on poverty and housing data and is to identify eligible applicants, giving preference for special population groups and for geographic targeting in designated revitalization areas. No less than 25% of the funds are to be earmarked for rental housing and no less than 30% for serving extremely low income housing. All of the funding is to serve households earning no more than 60% of the median income.

The Housing & Community Development Fund was endorsed by more than 25 statewide organizations. The Coalition’s goal for the Fund is \$100 million a year. The Living in Michigan Coalition has developed several themes to encourage funding for the Housing & Community Development Fund.

Michigan’s Housing & Community Development Fund is about job creation, workforce retention, and economic development:

- Housing developments will have a return of 1:3 and

community development projects of 1:2.

- A \$100 million program will leverage \$280 million, create more than 6,000 jobs, and generate approximately \$21 million in state and local taxes.

Michigan’s Housing and Community Development Fund is about housing for an economically diverse workforce:

- It will increase the supply of affordable and market rate housing.
- It will help provide a stable home environment for families.
- It will provide safe, high-quality housing.

Michigan’s Housing and Community Development Fund is about investing in people:

- It’s about investing in a better quality of life for all of our people.
- It’s about moving our working homeless population off the streets and into a stable home environment.
- It’s about providing our citizens with safe, supportive living conditions.

Building on the theme “*living in Michigan means investing in Michigan*,” the campaign quotes a study by CEOs for Cities citing that a majority of young, educated people choose where they want to live first and then look for a job. Yet in Michigan, a majority of cities with populations of 25,000 or more lost population from 2000 to 2005. More than 1.15 million Michigan



The Living in Michigan Coalition hosts lunch on the lawn at the state capital.

households are one emergency away from losing their homes. Almost half of Michigan's renter households are cost burdened and more than one-third of its 50,000 homeless population are working.

The Michigan Housing and Community Development Fund

is intended to concentrate efforts in downtowns, neighborhoods, affordable housing and supportive housing. Grants and loans can be used to finance a variety of housing and community development projects including new construction, rehabilitation, land acquisition, preservation, demolition, facade

improvements and infrastructure.

Contacts: Ken Bensen, Coalition for Michigan's Housing and Community Development Fund (517-485-1006 x17) www.livinginmichigan.org or Alicia Quintero, Community Economic Development Association of Michigan (CEDAM), 1000 S. Washington Avenue, Suite 101, Lansing, MI 48910-1647 (517-485-3588) www.cedam.org.

Evanston, Illinois Creates Housing Trust Fund

Evanston, Illinois has created an Affordable Housing Fund intended to create, preserve, maintain, and improve affordable housing for households whose income is equal to or less than the area median income. In a process that began in 2003, the City received assistance from Business and Professional People in the Public Interest (BPI) in Chicago with support from a group of affordable housing advocates.

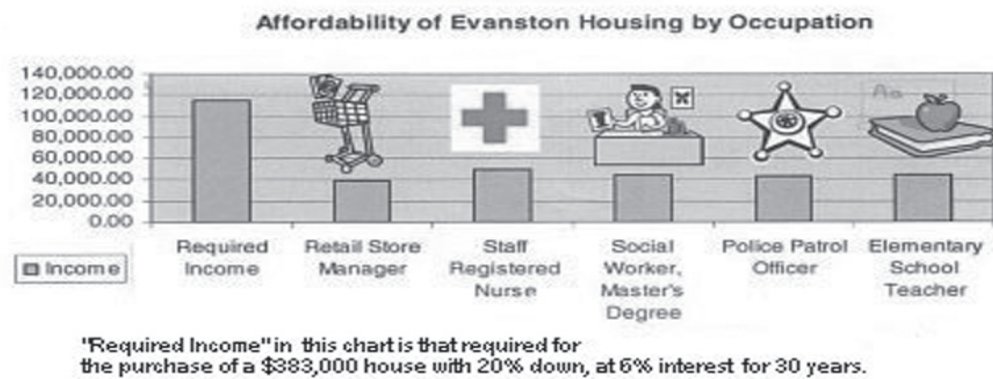
Evanston's Affordable Housing Future sponsored several forums, with nearly thirty co-sponsors, including: the League of Women Voters, Interfaith Housing of the North Shore, Citizens Lighthouse Community Land Trust, a collection of Evanston's churches, and many others. The Forums focused on innovative solutions including zoning incentives, community land trusts, and housing trust funds.

In the spring of 2007, the City Council passed a resolution creating

guidelines for implementing the Affordable Housing Fund. The City Council has committed two sources of revenue to the fund: a demolition tax and fee-in-lieu payments as required by the City's inclusionary housing program.

are committed to the Affordable Housing Fund.

The inclusionary zoning ordinance requires that any new construction of 25 or more owner-occupied units must provide 10% affordable



The City of Evanston requires that all structures to be demolished obtain a city building permit. When granted a permit for demolition of a residential structure, an affordable housing demolition tax must be paid. The tax is \$10,000 for any single family detached residential structure or \$10,000 or \$3,000 for each unit in the structure (whichever is more) for any multi-family, single-family attached, or two-family residential structure. These funds

units set-aside in eligible buildings. Alternatively, the developer may pay \$40,000 per required affordable unit in lieu of setting aside the units on site. These funds are committed to the Affordable Housing Fund.

Eligible applicants include developers, nonprofit organizations, housing owners or operators, individuals, and units of government.

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Programs funded may include down payment assistance, rental assistance, building rehabilitation loans, building construction loans, property acquisition and disposition, and grants to nonprofit organizations.

The minimum award is \$1,000 per unit with maximums set as \$6,500 per year per rental subsidy for families in transition; \$25,000 per unit for purchase price buy-down or down payment assistance; \$15,000 per unit for owner-occupied weatherization; \$10,000 per unit for owner-occupied emergency repairs; and \$80,000 per unit for acquisition,

new construction or rehabilitation. Affordability retention is recorded in the mortgage for subsidies less than \$30,000 per unit with recapture provisions. For awards above \$30,000, resale restrictions are also recorded for as long as allowable by law. During the affordability period, the seller can sell the property only to a qualified household (earning median income or less) at a price designated by a formula, allowing for a 3% annual adjustment.

The Evanston Housing Commission has oversight responsibilities for the fund and consists of nine members. The Commission makes recommendations regarding

the operations, programs and disbursements of the Fund to City Council, including priorities for funding based on an analysis of housing needs and issues. The fund is administered by the Community Development Department and 15% of the funds are allowed to cover administrative costs. The Department is to assist applicants and report annually to the Housing Commission on the expenditures, accomplishments and activities of the fund, among other administrative tasks.

Contact: Donna Spicuzza, City of Evanston, Community Development Department, 2100 Ridge Avenue, Evanston, IL 60201 (847-866-2928).

Other Housing Trust Funds Gain Revenues

Housing Trust Funds in a number of jurisdictions received a boost last fall through supplemental budget appropriations.

MASSACHUSETTS

The Massachusetts legislature added up to \$10 million to the state's Affordable Housing Trust Fund and the Smart Growth Housing Trust Fund last October. Funds come from the Bay State Competitiveness Investment Fund, which expends revenues collected but unspent after the Commonwealth fulfills its stabilization fund and appropriations obligations. With the Governor's approval, the addition brings the FY2008 total to \$40 million for the Affordable Housing Trust Fund.

"The Massachusetts Affordable Housing Trust Fund has been tremendously successful in providing the resources and flexibility that complex affordable housing projects need to succeed. We're very fortunate to have these resources but need more if we're going to meet the housing needs of our lowest income residents," said Sean Caron, Director of Public Policy at the Citizens Housing and Planning Association.

The AHTF was created in 2000 to provide or preserve housing for households with incomes up to 110% of the area median income. For the first five years, the AHTF



received annual appropriations of \$20 million; in subsequent years, a portion of the proceeds from housing bonds has been dedicated to the fund. Since its creation, the AHTF has directed more than \$145 million to fund 7,388 units of affordable housing.

Contact: Sean Caron, Citizens' Housing and Planning Association, 18 Tremont Street, Suite 401, Boston, MA 02108 (617-742-0820).

WASHINGTON, D.C.

In early December, city officials certified a surplus for FY 2008, based on property tax revenues that were higher than had been projected. Advocates urged that a significant share of the surplus be used to support affordable housing and other programs serving lower income residents. An additional \$30 million was directed to the Housing Production Trust Fund, \$11 million of which is earmarked for supportive housing initiatives.

“The District recognized that we cannot begin to solve our affordable housing crisis without increasing resources for the Housing Production Trust Fund, and the \$11 million carve-out to develop permanent supportive housing is an excellent start towards fulfilling Mayor Fenty’s promise to create 2500

units of permanent supportive housing for those experiencing long periods of homelessness. But to get permanent supportive housing programs up and running, the city will also have to devote significant funds to operating subsidies and supportive services,” said Amber Harding of the Washington Legal Clinic for the Homeless. The Clinic is a member of the Affordable Housing Alliance and Fair Budget Coalition that advocated for a portion of the surplus to be directed to the Fund.

Revitalized in 2002, the Housing Production Trust Fund receives 15% of the revenues generated by the city’s deed recordation and transfer tax, projected to reach \$47.2 million for FY 2008.

The DC Fiscal Policy Institute and the Coalition for Nonprofit Housing

and Economic Development recently reported that the Fund has expended \$121 million since 2002, leveraging some \$648 million in financing from public and private sources. The Housing Production Trust Fund has supported a total of 5,039 units since its revitalization--1,670 completed units of affordable housing, with another 3,369 units in the development pipeline.

Contacts: Amber Harding, Washington Legal Clinic for the Homeless, 1200 U Street, N.W., Washington, DC 20009 (202-328-5500) and Ed Lazere, DC Fiscal Policy Institute, 820 First Street, N.E., Suite 460, Washington, DC 20002 (202-408-1080).

WASHINGTON

On December 17th, Governor Christine Gregoire joined with the Speaker of the House, Frank Chopp, and Senate Majority Leader Lisa Brown to announce \$57.5 million in funding for affordable housing initiatives in the Governor’s FY 2008 supplemental budget package. *“Washington families should be able to live close to good jobs and schools, in safe neighborhoods and safe structures,”* said Governor Gregoire. *“Our proposal will help people who are in need of affordable housing, fund successful programs to help homeless families transition to stable permanent housing, and provide assistance to those who own a home but are in danger of foreclosure.”*

The state’s Housing Trust Fund will receive \$50 million, which helps communities meet the housing needs of low-income and special

needs populations through different strategies, with up to \$10 million of the increase earmarked for low-income housing for areas hit hardest by recent floods and for short-term loans to purchase property for low-income housing. *“The Housing Trust Fund has a proven record of turning our investments into opportunities,”* said Speaker Chopp. *“Since its inception in 1986, the HTF has helped build, preserve or rehabilitate more than 32,000 housing units for low-income people in Washington state.”*

In addition, the Washington Families Fund, a public-private partnership created to expand affordable housing for homeless families in Washington, would receive \$6 million to support job training, childcare, domestic violence counseling and other services to help families make a

successful transition to permanent housing and reduce repeated episodes of homelessness. Another \$1.5 million would be provided for education and mortgage counseling to help counter the effects of the subprime loan crisis in the state. The supplemental budget package would also increase the debt limit of the Washington State Housing Finance Commission, which provides downpayment and mortgage assistance to low and moderate income families to support first time homeownership.

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



Tennessee Revives State Housing Trust Fund

Significant steps are being taken in Tennessee to create a state housing trust fund. The effort began with a \$1 million appropriation from the General Assembly for fiscal year 2006-07. The Tennessee Housing Development Agency added \$12 million of its own funds. A second appropriation of \$3 million (for FY 2007-08) created a total of \$16 million for the first two years.

This remarkable initial progress was just enough to stimulate huge interest in the fund and generated more viable applications than the Agency could fund. Six million was placed into four programs: rural home repairs (\$1.4 million); homebuyer education (\$300,000); elderly emergency home repairs (\$4 million); and disabled home modifications (\$300,000).

The \$10 million balance was advertised in a competitive round to local governments and nonprofit housing providers. A minimum 50% match was required. Thirty-eight organizations were funded. Grants are supporting the chronically homeless, persons with disabilities, single mothers recovering from substance addiction or physical abuse, veterans, and ex-offenders re-entering society. It is estimated that 897 households will be assisted through these funds.

Sixty-one applications were submitted requesting \$87 million in funds and would have helped 1,711 households.. *"We expected a welcome response to the Trust Fund's appearance,"* said Ted Fellman, THDA executive director, *"but the*

applications were numerous, strong, creative and ready for our review in a very short period of time. People are prepared to address the overwhelming needs around us." This convinced THDA to ask for \$15 million in non-recurring funds for FY 2008-09. By augmenting state funds with \$6 million from THDA and \$3 million from private and other funds, an economic impact of \$105.5 million is a realistic expectation from this investment by the state.

The state's initial funds created a \$33.75 million direct economic impact in Tennessee. THDA used the IMPLANpro input-output model to calculate ripple effects into other sectors and released its report, *"Economic Impact of THDA Activities in Calendar Year 2006 on the Tennessee Economy."* Based on this model, the total economic impact for the trust fund's initial investments is \$56.5 million, including business revenues, personal income, employment/job creation, and state and local taxes.

The trust fund dollars are the first state tax dollars THDA has received since 1999. Tennessee created the HOUSE Program in 1988—a state housing trust fund that received real estate transfer tax and mortgage recording tax revenues. In 2000, the revenues were temporarily diverted to the state's general fund and, in 2001, the diversion was made permanent. Tennessee is the only state to dismantle its housing trust fund. THDA would like to reverse this historical fact and create a true



Sarah Green enjoys the new ramp and other renovations made for her home from the new state funds.

housing trust fund for the state. The performance of the trust fund since 2006 is generating a lot of attention and building a foundation for doing just that.

THDA has also created the Statewide Affordable Housing Coalition to speak with a single voice about affordable housing, encourage more affordable housing, educate about the value of affordable housing, and coordinate potential funding sources. Numerous members have already joined, including government agencies, public housing authorities, banks, realtors, property managers, developers, nonprofit organizations, and others. They conducted a Housing on Tour in the spring of 2007; participated in the Governor's Housing Summit hosted by THDA last October; and will continue to advance their goals—watching the housing trust fund expand its potential.

Contact: Lorrie Shearon, Tennessee Housing Development Agency, 404 James Robertson Parkway, Suite 1200, Nashville, TN 37243-0900 (615-815-2013) www.thda.org.

North Carolina Housing Trust Fund Celebrates 20 Years and Reaches for More

The North Carolina housing trust fund celebrated its 20th anniversary in 2007 as housing advocates continued to push for an increase in funding to \$50 million a year. Since 1987, the state's housing trust fund has financed 17,200 new or rehabilitated homes, distributing funds to each of the state's 100 counties. Yet there are still more than 2 million families living in homes they cannot afford.

Funds from the housing trust fund have leveraged \$467 million in housing development and preservation and generated 8,200 jobs, along with \$66.7 million in local and state tax revenues. The trust fund has helped finance more than \$100 million of supportive housing and financed emergency repairs and accessibility modifications enabling nearly 7,000 elderly and disabled persons to continue living safely in their homes. These accomplishments come from some \$3 million in recurring appropriations each year for the NC Housing Trust Fund.

Housing advocates believe the trust

fund, and the residents of North Carolina, deserve far more. This year, the recurring funds were increased by \$5 million, for the first time, for a total of \$8 million in recurring funds. With an additional \$7.5 million in non-recurring funds, advocates won a total appropriation of \$15.5 million in 2007.

In 2002, the North Carolina Housing Coalition and the Center to Create Housing Opportunities developed Housing Carolina, a statewide public awareness campaign designed to bring attention to the importance of adequately housing all North Carolinians. In the summer of 2004, this effort shifted to the formal Campaign for Housing Carolina with a more specific impact—resulting in the \$50 million goal.

In the past four years nearly 150 organizations and businesses have endorsed the Campaign and more than \$33.4 million in additional funding for the Trust Fund has been achieved beyond its base allocation. The Campaign's website (www.nchousing.org) contains helpful

communication tools and information, building on the public awareness campaign. Two public service announcements are available for viewing.

Among the evidence supporting this campaign is the study: *"The Economic Cost of Substandard Housing Conditions Among North Carolina Children,"*

conducted by David Chenoweth of Chenoweth & Associates, Inc. It concludes that the total costs due to substandard housing-attributable childhood illnesses, injuries, diseases, and disabilities is nearly \$95 million. And as, Chris Estes, Executive Director of the North Carolina Housing Coalition states in the introduction, *"By and large, everyone pays – sooner or later – for the negative impacts of substandard housing on the health, education, and welfare of North Carolina's children."*

The Campaign for Housing Carolina is led by the NC Housing Coalition and its key partners, including: the NC Justice Center, United Way of NC, NC Coalition to End Homelessness, NAACP-NC, NC Association of CDCs, AARP-NC, NC Coalition Against Domestic Violence, ARC-NC, NC Council on Aging, NC Bankers Association, NASW-NC and the NC Housing Finance Agency.

The North Carolina Housing Trust Fund was created in 1987 and is administered by the North Carolina Housing Finance Agency. Oversight of the housing trust fund is the responsibility of a thirteen-member North Carolina Housing Partnership.

Currently, the funds are used for four key programs: Rental Production Program; Supportive Housing Development Program; Urgent Repair Program; and Self-Help Housing Loan Pool.

Contact: Chris Estes, North Carolina Housing Coalition, 224 South Dawson Street, Raleigh, NC 27601 (919-881-0707).

MOUNTAIN HOUSING OPPORTUNITIES



Prospect Terrace, developed by Mountain Housing Opportunities, in Asheville, includes seventeen units that promote "green" housing principles.

Housing Mississippi Proposes a State Housing Trust Fund

Housing Mississippi was formed in 2007 by several housing advocacy groups throughout the state committed to creating a state housing trust fund. This alliance to promote housing opportunities throughout the state is a first for Mississippi. They have now developed a proposal for the state housing trust fund.

Housing Mississippi's proposal calls for a \$20 million a year state housing trust fund—funds necessary to meet the affordable housing needs of low-income Mississippians. A slight diversion of state gaming revenues is at the top of their list for best dedicated revenue source options. The goals of the Housing Trust Fund would include:

- Dedicating funds for housing that is affordable to low income families;
- Providing a flexible source of funds for communities to address affordable housing needs;
- Helping families build wealth and economic stability;
- Revitalizing distressed neighborhoods and build healthy, vibrant communities by developing high quality affordable housing;
- Leveraging additional private investment in Mississippi communities; and
- Contributing to economic growth through increased housing production, employment, and tax revenues.

The state fund would be administered by an oversight board and a state government agency responsible for developing program guidelines and implementing the fund, including reporting annually on its accomplishments. No more than 5% of revenues would be set aside for administrative costs.

Funds could be awarded to a wide range of eligible applicants through grants, loans, and other financing mechanisms to support affordable housing and related services. All of the trust fund revenues would serve households with incomes at or below 80% of the area median income, with at least 60% serving those earning no more than 50% of the area median income and at least 55% of that set aside serving households below 30% of the area median income. For rural areas, the state median income would be used.

At the initial meeting, advocates from the Delta, some of whom had lost homes and businesses, reached out to the rest of the state to combine energy and experiences for a powerful statewide effort. Consequently, Housing Mississippi was careful to craft a proposal that would work for the diverse range of housing needs that exist in Mississippi. This includes a proposed distribution plan that would ensure at least 55% of the funds serve households living in rural areas and at least 40% of the funds be used for homeownership.

The review criteria for awarding funds would include: the extent to which the proposal meets the goals, addresses community needs and concerns, targets low and extremely low income households, meets the needs of special populations, leverages funds, and builds capacity. All projects would be required to meet minimum sustained affordability requirements.

In addition, the proposal encourages the development of local housing trust funds by making them eligible to receive matching funds if the local fund meets the trust fund eligible activities, income targeting, and receives public dedicated revenue.

Housing Mississippi is currently drafting a legislative proposal, is in conversation with Governor Haley Barbour's office, and is seeking support from organizations and others throughout the state.

Contact: Natalie Presley, Housing Mississippi, 1400 Leggett Drive, Van Hook Hall, Biloxi, MS 39530 (866-710-3037).

Housing Mississippi

AARP Mississippi
Back Bay Mission
Coalition for Citizens with Disabilities
Deep South Delta Consortium Enterprise
Corporation of the Delta/Hope
Community Credit Union
First Delta Federal Credit Union
Habitat for Humanity MS Gulf Coast
Lawyers' Committee for Civil Rights
Under Law
Local Initiatives Support Corporation
Lutheran Episcopal Services in MS
MS Action for Community Education
MS Center for Justice
NAACP MS State Conference
NeighborWorks America
Oxfam America
Quitman County Development
Organization

Delaware Housing Coalition Urges New Castle County Housing Trust Fund

There is movement afoot in Delaware to establish a housing trust fund in New Castle County. County officials dealing with increasing unaffordability and the impacts of sprawling development are exploring a housing trust fund to provide a range of affordable housing options to County residents and workers.

The initiative was kicked off when the Delaware Housing Coalition issued a paper last summer recommending the adoption of six policies to promote the development of affordable housing in accordance with the Comprehensive Plan.

Among the tools included was a County Affordable Housing Trust Fund, with recommendations that New Castle County work with Kent and Sussex Counties to secure state enabling legislation identifying potential revenue sources. The report also recommended the County act on its own to establish a housing trust fund with dedicated county revenues, to subsidize *“the costs of the development of affordable*

housing and providing matching funds for federal and other housing grants, including the [potential] National Affordable Housing Trust Fund.”

It was recommended that the County administer the fund with a Board of Directors comprised of representatives from nonprofit and for-profit housing developers, financial institutions, housing advocacy organizations, and community associations.

In October, the County Council took up this charge, and passed a resolution establishing a New Castle County Housing Trust Fund, sited within the Department of Community Services and managed by an intergovernmental working group, for the purpose of dedicating public funds and other revenue sources to address affordable housing needs in the County. However, the Council did not identify nor dedicate a revenue source to the Fund, but does allow for the collection of future funds. The resolution calls for annual budget appropriations by the Council as the initial funding source.

The County’s resolution permits funds to be used to support production and preservation of housing units affordable to households earning up to 120% of the area median income. The Fund can provide loans or grants designed to meet a number of important housing goals with emphasis on the production of multi-family rental housing for very low income earners.

The County Department of Community Services issued a draft manual detailing the policies and procedures to govern the Fund. The policies seek to ensure that funds do not simply add additional housing, but are used to build neighborhoods and strengthen communities. The competitive process used to distribute funds would also require the equitable distribution of affordable workforce housing units throughout the County. Assisted projects would be required to remain affordable for twenty years in the case for sale units, and thirty years for rental developments.

Advocates have had an opportunity to comment on the directives in the manual and are seeking to target the funds to lower income households and lengthen the affordability control periods, as well as secure dedicated revenues. *“The trust fund proposal, for better or worse, was introduced in tandem with a draft inclusionary housing (now “workforce housing”) ordinance which has received more attention and been the focus of considerable efforts at dilution. Delaware affordable housing advocates hope that the trust fund will not suffer the same fate. It would be ideal for this fund to serve those most in need--people are being crushed by the cost of housing, if they are lucky enough to have housing,”* says Ken Smith, Executive Director of the Delaware Housing Coalition.

Contact: Ken Smith, Delaware Housing Coalition, P.O. Box 1633, Dover, Delaware 19903-1633 (302-678-2286).
www.housingforall.org.

HABITAT FOR HUMANITY NEW CASTLE COUNTY



More than 90 volunteers gathered on Westminster Presbyterian Church grounds to build two Habitat homes with Habitat for Humanity New Castle County.

received a voucher and is in housing, the sponsoring organizations donate seven hours a month per recipient without reimbursement and assists them in achieving their plan, including getting through barriers. Some landlords have reduced rents and included utilities in the rent and, in most cases, are not doing background or financial checks on the applicants.

Participating individuals are required to find their own damage deposit and must pay 30% of their income (from whatever source) towards the rent. The voucher runs for a year with a possible second year renewal. Persons are eligible if they are homeless and making less than 30% of the area median income. If they gain income on a regular basis that exceeds the 30% limit (for a

single person in Kalamazoo this is \$12,750), they are no longer eligible.

The Kalamazoo County Public Housing Commission reports that eighteen original vouchers were issued in April 2007. Eleven recipients are in housing. One recipient withdrew; three became inactive for non-compliance; and three gained income that moved them out of the program. Six replacement vouchers were issued between May and October 2007. Of these, three are in housing. Two withdrew and one became inactive for non-compliance. Overall, the County reports a 57% success rate with the fund.

KHAN and MOP continue to push for more permanent affordable housing for homeless people

throughout Kalamazoo County. To do this, they recognize the need for a dedicated source of revenue and will continue the campaign to build the fund to this capacity. MOP has led the effort to seek matching funds from the City of Portage, a nearby suburb. MOP has also been advancing work to create state enabling legislation that would permit the County to invest public revenues in creating permanent affordable housing for the homeless—a goal KHAN and MOP are not going to forget.

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