

HOUSING TRUST FUND PROJECT



Center for Community Change

Oregon Housing Alliance Wins Dedicated Revenue for State Fund

Fifteen years is a long time ... ask anyone working with the Oregon Housing Alliance who spent just that long on their Housing Opportunity Agenda. Yet today they celebrate passage of the Housing Opportunities Bill (HB 2436) creating a dedicated funding source for affordable housing in the state. Was it frustrating ... they lost by three votes during the 2007 legislative session. Was it worth it ... Janet Byrd, Chair of the Housing Alliance, says: *"The support by legislative leaders and members has been overwhelming and we are extremely heartened by their dedication."* Yes, they're excited ... using the largest font size email allows with their *"WE DID IT!!!!!"* announcement. As they should be.

The Housing Opportunities Bill increases the document recording fee on real estate related documents by \$15 per document. The funds are committed to Oregon Housing and Community Services—the state's

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Housing Arkansas Victorious in Creating State Housing Trust Fund

Housing Arkansas cheered when Senate Bill 396 became Act 661 creating a housing trust fund for the state of Arkansas. Governor Mike Beebe signed the bill into law on March 30, 2009. The Arkansas Housing Trust Fund is established as a special restricted fund of the Arkansas Development Finance Authority.



To address Arkansas' severe shortage of housing for low and moderate income households, more than 100 affordable housing advocates in the private, government and nonprofit sectors formed Housing Arkansas in 2008. Housing Arkansas' purpose is to speak to and act on the crucial need for housing low-income Arkansans through the creation and funding of a state housing trust fund.

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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.

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OREGON *continued from page 1*

housing finance agency, created in 1991 when the legislature merged the Oregon Housing Agency with State Community Services. Current estimates suggest that the fee increase will generate \$15 million in new funds for affordable housing in the 2009-2011 biennium and \$26.5 million in 2011-2013. The legislation does not affect existing recording fees.

Of the total funds, 76% will be used to support new construction and rehabilitation of multi-family housing and is dedicated to the newly created General Housing Account; 10% will go to work immediately to end and prevent homelessness and is dedicated to the Emergency Housing Account; and 14% of the funds will support first time lower income homebuyers and is dedicated to the Home Ownership Assistance Account.

The Oregon Housing Fund now consists of five separate revolving accounts: the Housing Development and Guarantee Account, the Emergency Housing Account, the Home Ownership Assistance Account, the Farmworker Housing Development Account, and the General Housing Account.

The new General Housing Account will support the development of multi-family housing as well as allow for innovative approaches, such as land banking. Funds will be allocated competitively, mostly through the existing bi-annual Consolidated Funding Cycle of Housing and Community Services. During the 2007-2009 biennium, state resources to support multi-family rental housing development amounted to \$5.6 million (from utility public

purpose funds). Funding sources were not keeping pace with the growth in critical housing needs throughout the state.

General Housing Account funds will also be spent for housing for special needs populations providing debt-free or low debt housing to serve long term and permanent housing needs with services. Other funds will go toward manufactured home park purchases and support for owner co-op or nonprofit or local government purchases; rehabilitation and preservation of existing housing; new multi-family housing for working people in mixed use housing and downtown revitalization projects; and strategic land and property acquisition. Six percent of the total increase in funds will be used to maintain a vital network of community-based nonprofit housing providers.

The Emergency Housing Account is a flexible resource that is used at the local level in a variety of ways to support efforts to decrease homelessness. It is distributed by formula to agencies in every county.

The Home Ownership Assistance Account is used to support down payment assistance programs, counseling, and other home buyer subsidies for lower income households. It had previously been funded at a modest level from General Fund dollars. Resources in this account will at least double as the result of the new document recording fee.

The Housing Development and Guarantee Account has a corpus of \$15 million and is used occasionally to guarantee loans, but also

FUNDING

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generates interest used for the Housing Development Grant Program. The Housing Development Grant Program receives additional funds from the public purpose charge and makes cash grants through the Consolidated Funding Cycle.

The Farmworker Housing Development Account was created in 2001 to expand the state's housing for low and very low-income farmworkers through grants or loans to construct new housing or to acquire and rehabilitate existing structures.

The Housing Opportunity campaign thoughtfully moved to engage a broad set of allies around the same language and a unified strategy. In early 2003, the Housing Alliance brought together advocates, local governments, housing authorities, community development corporations, environmentalists, service providers, business interests and others concerned about the lack of affordable housing. All could agree that at the heart of the affordable housing crisis was a lack of funding.



Corey Commons is a 21-unit complex built in Cottage Grove. Two and three bedroom units are available to persons earning no more than 50% of area median income.

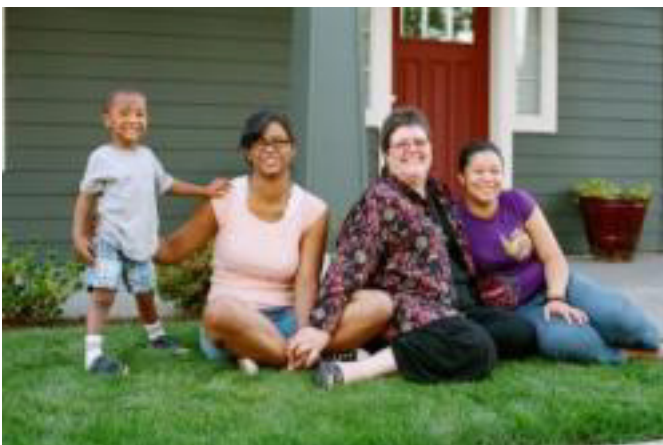
Units feature solar water heating and drain heat recovery systems to reduce tenants' monthly expenses. Two units are set aside for farm worker families. The housing was built by St. Vincent de Paul Society of Lane County, Inc.

The Housing Alliance has nearly seventy organizational members. Realizing they should bring the housing industry together around the need for increased funding, they convened a series of facilitated dialogues beginning in fall 2007. They spent nearly eighteen months learning about one another's perspectives, exploring housing needs throughout the state, and discussing policy options. Agreement was reached to jointly pursue the Housing Opportunity Agenda ... and it paid off.

Focusing on the need to give all Oregonians a stable home and the chance they need to succeed, the Alliance agreed on key value statements, such as: *"hardworking people should be able to pay the rent and have enough left for food, medicine and other necessities,"* or *"to succeed in school and in life, children need a safe, stable place to call home."* These messages were woven into a broad educational campaign that brought and kept everyone together for the five years it took to develop the legislative champions who carried the Housing Opportunity Agenda through the legislature.

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PORTLAND COMMUNITY LAND TRUST



As renters, Anita and her family were often on the move. In fact, they moved eight times in the past 10 years. And too many times they lived in substandard housing because, as a single parent, that was all Anita could afford.

Then Anita learned about Portland Community Land Trust.

"I told my best friend that PCLT has provided me with something I never thought I would be able to have."

Arkansas continued from page 1

In its first campaign, Housing Arkansas has created a website (www.housingarkansas.org), secured more than 240 endorsements, introduced legislation with seventeen legislative sponsors, won supportive media coverage from newspapers and television, and developed talking points and other supportive materials.

Housing Arkansas engaged in collaborative conversations with the Arkansas Development Finance Authority to craft legislation that met the priorities and needs of all advocates involved. As the bill moved through the legislature, Housing Arkansas maintained a constant presence at the Capitol, held weekly strategy calls, and kept all members informed of actions

they could take and progress in the campaign. And they won!

The Arkansas Housing Trust Fund will provide assistance to households earning no more than 80% of the area median income. Funds will be disbursed as grants or loans for new construction, rehabilitation, rental assistance, land acquisition, predevelopment costs, infrastructure, transitional housing, down payment assistance, housing and foreclosure counseling, and technical assistance.

Eligible applicants include local governments, public housing authorities or agencies (and public housing facilities boards), nonprofit organizations, nonprofit housing developers, and for-profit housing developers.

Members of the Advisory Committee will be appointed by the Governor, the Speaker of the House of Representatives and the Senate President Pro Tempore. The eleven members are to be residents of the state, reflect the state's demographics, and have a demonstrated interest in low and moderate income housing needs and revitalization of distressed neighborhoods. The following appointments are to be made:

- A representative of the financial industry,
- A beneficiary of assistance in rental housing or home ownership,
- An advocate for the homeless,
- A representative of the real estate industry,
- A representative from the economic development field,
- A developer of affordable housing,
- A citizen,
- A consumer advocate with experience in fair-housing, housing counseling, or affordable housing,
- A housing advocate representing the needs of rural interests,
- A special needs housing advocate, and
- An advocate for public housing.

A source of funding for the Housing Trust Fund has not been determined, although the fund may receive any moneys designated by the General Assembly or the Governor or received by the Arkansas Development Finance Authority. The Authority is to engage in ongoing efforts to increase funding for the housing trust fund, including any additional ongoing

The Act also established an Advisory Committee to advise the Arkansas Development Finance Authority and its staff with respect to implementation of the housing trust fund. The Advisory Committee will collaborate with staff in drafting rules, compliance responsibilities, set-asides, and funding priorities; review and advise on marketing efforts; review data on the use and impact of the housing trust fund at least once a year; prepare an annual review of the implementation of the housing trust fund and make recommendations for changes; and prepare an annual performance report.



ARGENTA COMMUNITY DEVELOPMENT CORPORATION

Argenta Square, built by the Argenta Community Development Corporation, is a 56 unit apartment complex in the heart of downtown North Little Rock. The majority of the units are leased to low and moderate income households.

state-dedicated funding sources. No more than 6% of revenues may be used for administration of the housing trust fund.

The Arkansas Development Finance Authority is also to establish rules for a competitive process in awarding funds. These are to include incentives, set-asides, or inducements for the development of housing serving persons with very low income, persons living in rural areas, homeless persons, persons with disabilities, elderly persons, and victims of domestic violence.

Evaluation criteria are also to include:

- the experience of the applicant, property management history,
- timeliness of the proposed development,
- long-term affordability limits,
- the number of units available to households earning no more than 30% of the area median income, and
- the extent to which other funds are leveraged.

In addition, applicants will be evaluated based on the extent to which:

- the development supports local community affordable housing goals,
 - negative impacts such as displacement are minimized,
 - the development will be part of a mixed income development or neighborhood,
 - the development serves households with special needs,
 - the development adheres to energy efficiency and other environmental and sustainability standards,
 - the development is located near transit and other community amenities,

- financial and homeownership counseling is provided, and
- administrative costs are reasonable.

Housing Arkansas is now working with the Arkansas Development Finance Authority, legislative sponsors and others to identify revenue to initiate the state housing trust fund, enabling the Advisory Committee to be appointed and program components to be developed. In addition, they are studying alternative permanent dedicated public revenue sources to

fund the trust fund into the future. They anticipate the trust fund beginning implementation before the National Housing Trust Fund allocates funds in hopes of receiving these funds as well.

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Housing Arkansas Members

AARP Arkansas
ACHANGE
Affordable Housing Association of Arkansas
Arkansas Community Action Agencies Association, Inc.
Arkansas Coalition Against Domestic Violence
Argenta Community Development Corporation
Arkansas Development Finance Authority
Arkansas Fair Housing
Arkansas Governor's Task Force on Supported Housing
Arkansas Homeless Coalition
Arkansas Interfaith Alliance
Arkansas Supportive Housing Network
Benefit Bank of Arkansas
Black Community Developers, Inc.
Center for Arkansas Legal Services
Community Action Program for Central Arkansas, Inc.
Crews & Associates
Downtown Little Rock Community Development Corporation
Enterprise Corporation of the Delta
Federal Reserve Bank
Mid South Delta LISC
Mississippi County Arkansas Economic Opportunity Commission, Inc.
Regions Financial Corporation
South Arkansas Community Development
Southern Community Development Corporation
Southern Good Faith Fund
St. Francis County Community Development Corporation
University District Community Development Corporation
Winthrop Rockefeller Foundation

Philadelphia Housing Trust Launches Targeted Housing Preservation Program

The Philadelphia Housing Trust Fund launched a new Targeted Housing Preservation Program in January. The program provides funds for targeted home repair to augment other neighborhood investments, such as the production of new homes and revitalization. Funds may be used to support the repair of basic systems in owner-occupied homes, as well as exterior repairs and streetscape improvements.

Approximately \$1.9 million has been allocated for the program to date. Project sponsors, who must be community-based organizations such as community development corporations, can submit packages of properties for funding on a rolling basis. A main goal of the program is to provide support to community-based corporations developing larger-scale homeownership or rental developments, by enabling the use of these funds for the repair of existing owner-occupied homes on adjacent blocks. Eight applications have been submitted to date.

After repairs have been made, the property must meet basic health and safety standards. In order to maximize the impact, targeting of the home repair funds is considered key. Funds will be made available to preserve homes adjacent to existing or new investments or to provide concentrated home repairs in a specifically targeted geographic area. A significant level of resident participation is required in the targeted area and blocks to be preserved cannot have a vacancy rate higher than ten percent.



Participants in the program must have clear title to the property and be current in taxes and mortgage payments (or have an approved payment agreement). Their household income may not exceed 115% of the area median income. Participants must contribute \$500 toward the eligible repairs.

Maximum grants are \$20,000. The subsidy will be provided to the participating homeowner as a grant. To maintain the property as affordable housing, the grant is recorded as a self-amortizing second mortgage, with zero interest and will be forgiven ten percent each year the homeowner lives in the property. The participating homeowner will not be required to make any payments as long as he/she remains in the property for ten years or sells the property to an income eligible household. At the end of ten years, the mortgage will be satisfied.

The Philadelphia Housing Trust Fund was created in 2005 with \$1.5 million in bond proceeds as capital and the commitment of a surcharge on document recording fees that has generated approximately \$14 million a year. In 2008, housing advocates succeeded in winning another \$15 million over the next five years to

The Philadelphia Housing Trust Fund has allocated funding to four Home Repair and Housing Preservation Programs, including a Basic System Repairs Program, an Adaptive Modifications Program, a Homeownership Rehabilitation Program, and the new Targeted Housing Preservation Program. This rehabilitation project was undertaken by Project H.O.M.E.

supplement dedicated fees, at risk now because of budget deficits.

The introduction of this new Targeted Housing Preservation Program demonstrates the flexibility local housing trust funds can exhibit by shifting funds to address the most critical housing needs in their communities. In 2008, the Philadelphia Housing Trust Fund awarded more than \$8 million to support the development of 600 affordable renter and owner homes in addition to providing funding for home repair and homelessness prevention. The fund is administered by the City's Office of Housing and Community Development with oversight from an eleven member Board.

The Philadelphia Association of Community Development Corporations played a lead role in advocating for and developing the program and recently sponsored a training on rehabilitating owner-occupied properties. A program manual and application package can be downloaded by clicking on the THPP tab at www.phdchousing.org.

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Seattle Looks to Renew Housing Levy with 2009 Campaign

Would you vote to support a trust fund whose homebuyer assistance program has had zero foreclosures since its inception in 2002. That stunning statistic may go before Seattle's voters if they are given another chance to support the City's Housing Levy Program this August. It will be the fifth time they've voted for a property tax levy to sustain affordable housing programs in the City.

What Seattle has achieved through this program is remarkable by any measure. First, it has been a significant investment: \$48.17 million in 1981 to support a Senior Housing Bond; \$49.975 million over eight years with the 1986 Housing Levy; \$59.211 million over seven years with the 1995 Housing Levy; and \$86 million over seven years in the last Housing Levy of 2002. The 2002 housing levy cost the average homeowner \$49.00 a year. A property tax exemption is available for qualified seniors and disabled persons whose annual income falls below \$30,000.

Second, it has worked. The first levy supported 1,297 units for senior residents. The second housing levy supported 1,818 units of single family rental housing, large family rental housing, special needs rental housing, and a downtown housing preservation program with another \$5 million for operating and maintenance costs. The third supported 2,632 units including rental preservation and production, homebuyer assistance, and homeowner housing repair, with another infusion of funds in the operating and maintenance fund.

The last housing levy identified goals of supporting 1,872 units and assisting 3,500 households who were homeless or threatened with becoming homeless. Another \$7.8 million was committed to operating and maintenance costs. Records indicate the City has already exceeded these goals. Moreover, the 2002 Levy created more than 4,000 jobs in the construction and housing industry, contributed \$40+ million in municipal revenue, and attracted

\$350 million in non-city dollars to Seattle. The MacArthur Foundation has recognized the success of this program and included the Seattle Office of Housing and the state Department of Community, Trade, and Economic Development (which administers the state housing trust fund) in its recent preservation grants.

The City's Office of Housing has established an email (Housing.Levy@seattle.gov) to receive input about the possible 2009 Housing Levy. They have proposed five programs: rental production and preservation; the operating and maintenance fund; rental assistance; homebuyer assistance; and an acquisition and opportunity loan fund which is a new program to help make strategic purchases of buildings or land to secure long-term affordability of properties and help correct home prices for a more balanced housing market.

The Seattle City Council must adopt an ordinance to put the Levy on the ballot. Until then, the Office of Housing will plan for the continuation of the Housing Levy. When Mayor Greg Nickels submits the proposed Levy, the City Council will hold public hearings. Seattle had an Open House on March 10th to celebrate past successes and provide feedback on the proposed programs for the new Levy.

To learn more about the legacy of the Seattle Housing Levy and its singular achievements, see "The Seattle Housing Levy," in the March 2009 newsletter of the Washington State Housing Finance Commission (go to: www.wshfc.org/Newsletter/index.htm).



Meadowbrook View Apartments in Seattle, Washington was built by the Low Income Housing Institute. It was awarded the Fannie Mae Foundation Maxwell Award of Excellence for Rental Housing

Cuyahoga County, Ohio Housing Trust Fund Implementation Task Force Issues Report

In July 2008, the Cuyahoga County Board of Commissioners established the County Housing Trust Fund Implementation Task Force to identify how the community could move forward to create a local housing trust fund. The Commissioners asked the Task Force to develop recommendations to present to the community on possible dedicated revenue sources, organizational structure, and uses and guidelines for the funds.

The Task Force was asked to report back to the Commissioners within six to eight months. They released their report on April 2, 2009. The Report and Recommendations will be formally presented to the Cuyahoga County Board of Commissioners on April 30 at a public roundtable discussion.

In April 2005, public officials in Cuyahoga County launched “Heading Home” to examine the issues and recommend steps to prevent homelessness and to increase the supply of affordable rental housing for extremely low income households. The Heading Home Report made several recommendations and called on elected officials and other stakeholders to provide the leadership needed to move forward toward implementation. One of the key recommendations from the Heading Home Report was to create a local housing trust fund.

Housing and homeless advocates continued to seek support for a county housing trust fund. The Cleveland Bridge Builders published a report in 2007 on the need for

a housing trust fund in Cuyahoga County. The report identified potential dedicated revenue sources for the housing trust fund. With increasing pressure from the Northeast Ohio Coalition for the Homeless (www.neoch.org) and the Cleveland Tenants Organization (www.clevelandtenants.org), the County Commissioners established the 30-member Task Force.

The Task Force developed seven guiding principles for a county housing trust fund. They determined the trust fund should:

- Support efforts to prevent homelessness and move families and individuals to permanent housing,
- Support efforts that preserve existing affordable housing, or increase the supply of affordable housing,
- Initiate and support community efforts to increase the amount of resources available for affordable housing,
- Provide assistance to the precariously housed and most in need of affordable housing,
- Target assistance to the lowest income population (at or below 30% of average median income),
- Work closely with other initiatives to coordinate activities and leverage scarce resources, and
- Require that development projects maintain long-term affordability.

The Task Force Report presents recommendations in five areas.

Program Participants

At least 75% of program funds are

to be targeted to households whose incomes do not exceed 30% of the area median income and up to 25% may be targeted to households whose incomes do not exceed 60% of the median.

Funding Sources

The Report recommends an annual funding goal of \$12 million in revenues. And the report suggests that more than one funding stream will be necessary to reach this goal.

Two funding sources are recommended to fund the trust fund:

- State unclaimed funds: enact legislation that establishes a ten-year statute of limitations and returns “timed out” funds to the county of origin to be dedicated for use to a local housing trust fund. It is estimated that this would generate approximately \$6-7 million annually for Cuyahoga County.
- Conveyance fee: tapping this source would require enabling legislation to allow the county to increase the property conveyance fee by one mil for the sole purpose of supporting a local housing trust fund. It is estimated that this would generate approximately \$4 million annually for Cuyahoga County.

The Task Force recognized that it may take time to secure the necessary legislative changes. In the meantime, the Task Force recommends that the County consider one-time funding to enable initial implementation steps to take place.

Potential sources to initiate the fund include: interest on the funds



Emerald Commons is Cleveland's first newly constructed supportive housing project and will house 52 homeless, disabled individuals. Emerald Commons was launched in part by the Housing First Initiative and EDEN, Inc. partnered with the Cleveland Housing Network to develop the project.

being held for the development of the Medical Mart from the sales tax proceeds, sale of County property, use of a portion of the ten percent provided for administration in the Neighborhood Stabilization funding, and foundation grants matching County funding.

Structure

The Report recommends creating an Office of the Housing Trust Fund within the Cuyahoga County Department of Development to administer the program and coordinate with other County and City efforts to prevent homelessness and address affordable housing needs.

The Report also recommends appointment of a Housing Trust Fund Board, per state code, to set policy, guide the Trust Fund, and make funding decisions.

State law requires nine mandated positions for Housing Advisory Boards, including representatives from: financial institutions that lend money for housing, nonprofit builders and developers of housing, for-profit builders and developers of housing, for-profit builders and developers of rental housing, real estate brokers, other persons with professional knowledge of local housing needs and fair housing issues, residents of the area served by

the Board that could receive housing assistance, any metropolitan housing authority operating within the area, and elected officials. The fifteen-member Board would include representatives of the City, County, and suburban governments.

Administrative staff costs could come from the dedicated revenue sources.

Programs

The Task Force recommends that trust fund dollars focus on four programmatic areas, with a priority on activities that prevent homelessness and promote housing stability for very low income households. The four program areas are:

- Capital expenditures to preserve or secure long-term, deep rent subsidies (e.g., preserve Section 8 project-based units or develop public housing or shelter plus care units),
- Short-term emergency assistance to avoid eviction or to avoid/end homelessness (e.g., one-time assistance for unpaid rent, first month rent, and/or security deposit),
- Middle- or long-term shallow rent subsidies, tenant-based or project-based (e.g., monthly rent subsidy of about \$100-\$200, not based on tenant's income), and
- Innovative programs, including vacant and abandoned housing programs.

Implementation

The Task Force offers its assistance to the Cuyahoga County Board of Commissioners to engage in a campaign to enact the necessary legislation to secure dedicated revenue sources to create and maintain a Cuyahoga County Housing Trust Fund.

The Report identifies ten next steps:

- (1) Adopt the recommendations of the Task Force.
- (2) Meet with state legislators to urge their support for necessary state legislation.
- (3) Request the Task Force to assist the Board of County Commissioners in the campaign for dedicated revenue sources.
- (4) Identify people with expertise in legislative campaigns to assist.
- (5) Instruct the Office of Budget Management to identify any one time funding sources to help capitalize the trust fund.
- (6) Request the County Prosecutor to research and prepare appropriate enabling legislation to secure recommended dedicated revenue sources.
- (7) Appoint the Housing Trust Fund Board.
- (8) Seek foundation support for a person to staff the Trust Fund Board until on-going revenues are secured.
- (9) Create the Office of the Housing Trust Fund.
- (10) Once an on-going revenue source is secured, require the Housing Trust Fund Board to secure a Director for the Office.

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Low Income Housing Coalition of Alabama Gets State Housing Trust Fund Legislation Introduced

The Low Income Housing Coalition of Alabama, formed in July 2007, won the creation of an Interim Housing Trust Fund Task Force last year and now have a second milestone to celebrate. Legislation has been introduced to establish an affordable housing trust fund for Alabama. The Alabama Affordable Housing Act would establish the Alabama Affordable Housing Trust Fund to increase housing opportunities for those with low incomes.

“LIHCA is very excited about the introduction of this legislation and the potential impact on the poorest Alabamians and their ability to find safe, decent, and affordable housing,” said LIHCA Board President Marcie Porter. *“The creation of a Housing Trust Fund in Alabama has been LIHCA’s priority since the formation of our statewide coalition and we will continue to work for the passage of this bill for as long as it takes.”*

The Alabama Affordable Housing Trust Fund would work to increase the production of affordable housing, maintain and renovate existing housing to insure their continued availability, increase and preserve rental and ownership housing for those with low incomes. The fund is to serve households

whose incomes are at or below 60 percent of the area median income, with at least a majority of the fund serving those earning no more than 30 percent of the median income.

The Affordable Housing Trust Fund Committee is to administer the trust fund. The eleven-member committee, appointed by the Alabama Housing Finance Authority, will include representatives from:

- The Alabama House of Representatives,
- The Alabama Senate,
- The Lt. Governor,
- The Low Income Housing Coalition of Alabama,
- The Alabama Alliance to End Homelessness,
- The Alabama Realtor’s Association,
- The Alabama Homebuilder’s Association,
- The Alabama Council for Affordable and Rural Housing,
- The Alabama Banker’s Association,
- The Alabama Housing Finance Authority Board, and
- An individual earning at or below 60 percent of the median family income.

The Committee is responsible for establishing policies for the

operation of the trust fund and pursuing additional sources of revenue to build the state fund. They are also to ensure that the dedicated resources address housing needs throughout the state, particularly for those individuals living with mental illness or a mental disability, who are homeless or are on the verge of becoming homeless, or who are disabled or elderly.

The Alabama Affordable Housing Act would commit a mortgage record tax rate of .05 for each \$100 to the state trust fund. It is estimated that this revenue source would generate about \$23 million for the fund each year.

Nonprofit organizations, municipalities, public housing authorities, and for-profit organizations working in partnership with nonprofit organizations will be eligible to receive funds.

Funds are to be used to support rental and homeownership housing options, predevelopment costs, needs assessments, technical assistance, acquisition, rehabilitation, support services, operating reserves, down payment assistance, permanent supportive housing, and retention of housing. No more than 20 percent of the funds in any given year may be used for support services. The Alabama Housing Finance Authority can expend up to 10% of the revenues each year for administrative costs.

When the Alabama House of Representatives’ Poverty Task

830 families in Alabama have purchased homes using the First Step program administered by the Alabama Housing Finance Authority.



Force issued its final report in February 2008, included among the recommendations was creation of an Affordable Housing Trust Fund Task Force charged with developing a comprehensive recommendation for the Legislature on a housing trust fund prior to its 2009 Session. On the final legislative day of the 2008 Regular Session, House Joint Resolution 183 was approved and established the Interim Alabama Housing Trust Fund Task Force. The Task Force contained twenty members representing elected officials, housing advocates, developers, bankers, realtors and governmental agencies.

The Low Income Housing Coalition of Alabama is a statewide

partnership dedicated to ending the affordable housing crisis in Alabama. Coalition partners formed LIHCA in the belief that a unified voice would strengthen housing advocacy in the state. Through education and advocacy, LIHCA is raising awareness of the myriad housing challenges faced by many Alabamians living at or below the poverty level.

LIHCA established a 26-member Steering Committee and held a series of four statewide meetings with more than seventy participants during 2006. Later they sponsored a statewide workshop and a convening to shape LIHCA's formation.

Currently, LIHCA is governed by a 15-member Board of Directors

and continues to host meetings throughout the state informing residents about local and national affordable housing issues. LIHCA recently received its nonprofit status from the Internal Revenue Service.

LIHCA has continued its education and advocacy campaign by developing needs assessments, background reports, and information sheets. LIHCA member, Alabama Arise, prepared a fact sheet, "*Stable Foundation: A Housing Trust Fund for Alabama*," outlining the benefits Alabama would gain through the creation of a state housing trust fund.

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Coalition for the Missouri Housing Trust Fund Works to Increase Revenues for State Fund

The Coalition for the Missouri Housing Trust Fund continues to make progress in advancing legislation to increase revenues for the Missouri Housing Trust Fund. HB1020 has been introduced in the House and SB 268 in the Senate to increase the current document recording fee providing additional revenues for the state fund.

In 2009, the Missouri Housing Trust Fund received \$4.2 million from a \$3 recording fee. The Coalition is seeking an additional \$4 million a year to expand the Missouri Housing Trust fund.

The Missouri Housing Trust Fund is administered by the Missouri

Housing Development Commission for programs that assist households earning no more than 50% of the area median income. At least half of the funds are targeted to programs that benefit households earning no more than 25% of the area median income. Funds are also set aside for nonprofit applicants.

Funds have been used to support: foreclosure and eviction prevention, homeless prevention, construction and rehabilitation, rental assistance, and home repair. During the 2007 project year, the Missouri Housing Trust Fund provided funds:

- To prevent homelessness for 9,013 households,
- To assist 1,520 households with

operating funds,

- To provide rental assistance to 275 households, and
- To provide home repair funds to 30 households.

Yet much more could be done. In 2007, awards were made with \$6.3 million in funds, but the trust fund received \$18.4 million in requests. In 2008, this pattern repeated itself with the trust fund making \$5.1 million in awards in response to \$18.8 million requested.

The Senate bill would increase the fees collected by each recorder of deeds from \$3 to \$10. Nine

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dollars would be deposited into the Missouri Housing Trust Fund. Six of the nine dollars may be used for any authorized program, except homeless shelters, with an emphasis on activities encouraging home ownership. The remaining one dollar of the ten dollar fee is forwarded to the county treasurer for use by the recorder's office.

The proposed legislation would increase revenues to the state housing trust fund, but it would also increase the income targeting requirements of the trust fund so that all funds could serve households earning no more than median income and half of the funds would be targeted to those earning no more than 50% of the area median income. While this works contrary to the intent of such legislation as the National Housing Trust Fund, the Senate bill is intended



Coalition for the Missouri Housing Trust Fund

*Ensuring Access to Affordable Housing
for Missourians*

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to increase funding for activities encouraging and sustaining home ownership, including construction, home repairs, down payment assistance, foreclosure prevention, and home buying counseling. The House Bill did not have these provisions and would increase the fee from \$3 to \$6.

The Coalition for the Missouri Housing Trust Fund has obtained nearly 100 organizational endorsements supporting the campaign. The Campaign has also developed fact sheets, talking points,

and other tools to increase support for additional revenues.

The Missouri Housing Trust Fund was created in 1994 and has consistently generated \$4-\$6 million a year to support critical housing needs throughout the state. Asking for additional funds to address housing needs escalating throughout the state is clearly an appropriate response to the housing conditions Missouri faces today.

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The National Housing Trust Fund Update

Both the House and Senate have adopted FY10 budget resolutions, each of which provides for funding for the National Housing Trust Fund, without specifying an amount.

Budget resolutions provide the framework for the appropriations process by setting overall spending levels, including a cap on the amount that can be spent on discretionary domestic programs such as housing. However, funding for the National Housing Trust Fund is on the mandatory side of the budget.

President Obama included initial capitalization for the National Housing Trust Fund with \$1 billion in his FY10 Budget.

When funds are approved for the National Housing Trust Fund, they could be released by October 2009. Regulations for the National Housing Trust Fund may be issued by this summer and the formula for distributing funds must be released by July 30, 2009. States should be identifying the recipient entity for NHTFund dollars.

The National Housing Trust Fund Campaign will now focus on securing at least \$5 billion in dedicated-funding for the National Housing Trust Fund and funding for 200,000 new vouchers in 2009.

The campaign has revised the open letter to the Administration and Congress. To read the letter with instructions about how to sign on, go to:
<http://www.nlhfc.org/doc/What-We-Mean-By-Housing-april-2009.pdf> or www.nlhfc.org.