

HOUSING TRUST FUND PROJECT



Center for Community Change

Campaign for a Virginia Housing Trust Fund is Launched

In September, the Campaign for a Virginia Housing Trust Fund was launched. The statewide housing trust fund campaign was established in early 2011 by five statewide housing organizations: the Virginia Housing Coalition, the Virginia Coalition to End Homelessness, Habitat for Humanity Virginia, Housing Opportunities Made Equal, and Virginia Local Initiatives Support Corporation. To increase access by Virginians to affordable housing options, the Campaign is working toward the creation of a state housing trust fund.

The Campaign has an active website (www.virginiahousingtrustfund.org) and has engaged its supporters in numerous ways. In August it asked participants to help design the housing trust fund. The Campaign sponsored a webinar, "Help

Build a Housing Trust Fund." The intent was to attract advocates, providers, policymakers, consumers and industry representatives from across the state to hear about the basics of a housing trust fund and to express their views through on line surveys and other tools. The Campaign heard advice on local housing needs, types of assistance the trust fund should provide, priorities, administrative features, and sources of funding. Sixty supporters registered for the call.

In September, the Campaign released its report, "*The Economic Impact of a Housing Trust Fund on the Virginia Economy*," prepared by Chmura Economics & Analytics.

The report supports findings from similar studies in other states and

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Trouble Getting Our Summer 2011 Newsletter?

Our apologies to any of you who had trouble downloading our Summer 2011 Newsletter. We experienced some technical difficulties with our website in August that made it impossible to access the newsletter for several weeks.

For a copy, go to:
<http://housingtrustfundproject.org/wp-content/uploads/2011/10/Summer-2011-HTFPProject-newsletter.pdf>

Delegate Jennifer McClellan, who represents a portion of the City of Richmond in the Virginia General Assembly, spoke to more than thirty constituents and community members about housing issues.



HOME OF VIRGINIA



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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VIRGINIA, *continued from page 1*

identifies two phases of potential impact: (1) the one-time impact resulting from construction activities created by the support of the fund and (2) the ongoing operations tied to housing (infrastructure) stock due to the trust fund's implementation. The report is beneficial to other campaigns because of its clarity in the assumptions drawn and how the benefits were calculated.

Assuming a \$10 million annual trust fund, the report estimates that the construction activities as a result of the trust fund investment will generate a total one-time economic impact (including direct, indirect, and induced impacts) of \$1.0 billion in Virginia over a ten year period, supporting 5,893 jobs.

Of the total economic impact,

- \$572.9 million will be direct spending by the housing trust fund investment, with direct jobs reaching 2,877 over the ten years.

- The indirect impact will total \$228.5 million and support 1,562 jobs during the construction phase in industries supporting construction, such as site preparation and truck transportation.

- The induced impact is expected to total \$220.8 million with 1,454 jobs in the state during the construction period, benefitting firms in consumer service-related industries such as restaurants, hospitals, and retail stores.

During the ten year period, the annual average impact from construction activities will be \$92.9 million in Virginia supporting 536 jobs per year.

The economic impact of the ongoing operation of the trust fund comes from the apartment rentals of the housing development, as well as the

household spending by residents in the planned housing developments. The total annual economic impact of the ongoing operations of the trust fund is estimated to be \$331 million which can support 1,778 jobs in Virginia.

- In terms of the direct impact, the apartment rental income and direct household spending can reach \$172.0 million while supporting 936 permanent jobs per year.

- An additional indirect impact of \$77.8 million and 381 jobs will benefit other Virginia businesses that support the apartment rental and households spending sectors.

- The number of jobs created due to the induced impact will amount to 461 per year with associated annual spending of \$81.3 million. This induced impact is mostly concentrated in consumer related industries such as restaurants, doctor's offices, and retail establishments.

Both the construction and ongoing operation of the trust fund are expected to generate tax revenue for state and local governments of Virginia. Only tax revenue from the direct impact was estimated in the report. During the construction phase, individual and corporate income taxes are estimated to total \$6.7 million and \$2.5 million over the initial ten year period. The ongoing operations of the trust fund will also generate significant tax revenue for state and local governments. When all construction is completed after the initial ten year period, the ongoing operation of the housing developments and associated household spending can bring \$8.0 million per year to local governments in Virginia. Total state tax revenues, including income and sales taxes, could reach \$5.2 million per year.

The report concludes that the annual

FUNDING

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tax revenues from the Virginia Housing Trust Fund will exceed the state investment of \$10 million per year.

Virginia Housing Coalition Vice President, Bob Newman, said in releasing the economic benefit study that: *"Families, cities and counties, and average Virginians are struggling, through no fault of their own. We need to make sure Virginia invests in a future where people who work hard can raise a family and make a living. The Campaign for a Housing Trust Fund supports a balanced approach to solving our budget problems that includes investments in a Housing Trust Fund."*

Keeping its supporters engaged, in October, the Campaign used an online survey to determine the readiness of housing providers around the state to use a Housing Trust Fund. The survey met with an overwhelming response from 125 organizations from all parts of the state and serving a wide range of housing needs. Three quarters of the respondents indicated that they would be able to use Housing Trust Fund monies immediately. During the first 18

months of implementation, the results demonstrated that the industry would be able to provide housing assistance for more than 6,000 households and could use close to \$90 million in funding.

The types of assistance identified included:

- Temporary rental assistance and services for homeless families and individuals,
- Programs to keep families facing foreclosure in their homes and return empty and foreclosed homes back into use,
- Assistance and housing to persons with special needs,
- Housing and accessibility improvements for seniors,
- Production of new affordable rental housing, including supportive housing, and
- Preservation of affordable rental housing that is at risk.

In addition to the online survey, the Campaign conducted telephone surveys with thirteen high volume affordable

housing developers and providers. All of the respondents were supportive of the Housing Trust Fund.

Virginia is currently only one of eight states in the country without a state housing trust fund and the Campaign for a Virginia Housing Trust fund intends to change this. The Campaign believes the housing industry is a critical part of the local economy in Virginia. The collapse of the homeownership market has had a profound economic impact, including the loss of jobs in the construction, sales and financing sectors. With the homebuyer market in crisis, new pressure on rental housing is driving up rents and pushing affordable housing out of reach for many workers.

More than 30 organizations have indicated their support for the housing trust fund campaign. The Campaign is reaching for 100 supporters throughout the state. The website includes up to date information about the Trust Fund campaign. It also provides links to facebook, youtube videos, and past newsletters.

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HOME OF VIRGINIA



State Senator John Watkins discussed housing issues with constituents over lunch on Tuesday October 25th. The "Community Conversation on Housing" was co-organized by Project:HOMES and Housing Opportunities Made Equal. Attendees included volunteers, clients, staff and Board members from these two Richmond area non-profit housing organizations.

Illinois Advocates Welcome Next Steps in Capital Budget Campaign

In the latest step in a statewide campaign to secure additional funding for affordable housing in the state, the Illinois Housing Development Authority has issued a Request for Applications to identify participants for its Permanent Supportive Housing Development Program. The PSHDP, which is targeted to serve extremely low income (ELI) households headed by people with disabilities and those who are homeless or at risk of homelessness, will draw on funding that was approved in the state's 2009 capital budget.

"IHDA's release of the RFA is a critical step as we push to prioritize the distribution of funds authorized in the capital budget to affordable housing," said Bob Palmer, Policy Director of Housing Action Illinois.

"The responses to the RFA will demonstrate that the demand for funding and the capacity to use it are there in the community."

In July 2009, Governor Pat Quinn signed into law the state's first capital budget that included funding for afford-

able rental housing. The victory was the result of two years of organizing and advocacy by a strong coalition of organizations, including Business and Professional People for the Public Interest, the Chicago Coalition for Homeless, the Illinois Housing Council, United Power for Action and Justice, and Housing Action Illinois.

During the campaign, the coalition conducted an analysis which demonstrated that plans were then in place to start work almost immediately on 3,585 affordable homes and apartments across the state, with a total development cost of \$756 million, a stark contrast to the \$25 million that had originally been proposed by the Governor; the April 2009 analysis was a key factor in the eventual designation of \$130 million to affordable housing in the state's \$31 billion capital budget.

In October 2010, the Board of the IHDA approved the first installment, \$17.5 million of the capital budget

funding was approved for housing in six projects that will support people with disabilities moving from institutions to community-based housing. The state's allocation of capital funding is helping to settle three lawsuits against it for institutionalizing residents with disabilities into nursing homes rather than providing community-based housing options.

With the Permanent Supportive Housing Development Program, IHDA is looking to further expand housing options for households headed by persons with disabilities, as well as for households that are homeless or those at-risk of homelessness who can benefit from supportive services in order to maintain their housing. Accordingly, projects proposed to participate in the PSHDP must target at least 10% of units to ELI households headed by people with disabilities or those who are homeless or at risk of homelessness, with priority given to proposals that serve a greater number of ELI families.

A range of project types can be funded through the PSHDP, including acquisition, new construction, redevelopment or rehabilitation of vacant units, or adaptive reuse of non-residential properties. Age-restricted housing and rehabilitation of currently occupied units may not be considered for funding. Non-profit, for-profit, and joint-venture developers/owners are eligible to apply for funds.

Permanent supportive housing units may be provided in a range of settings, including but not limited to:

- Scattered-Site PSH Projects within or detached from several sites, in which links to community-based services are coordinated;

LAKEVIEW ACTION COALITION



Members at Lakeview Action Coalition's Convention hear about fighting for \$100 million a year in the Illinois capital budget.

- Affordable or mixed-income buildings that include some PSH units, in which links to community-based services are coordinated, and in which some limited supportive services may be offered to tenants on-site; and
- One-site projects in which the majority of units are filled by Supportive Housing residents, and that offer both a broad array of on-site services and links to community-based services.

Under the terms of the RFA, IHDA will evaluate each proposal to determine which Authority-administered funding source or sources are most appropriate. Potential sources include grants through the Build Illinois Bond Program, Illinois Affordable Housing Trust Fund and HOME grants or loans, Illinois Affordable Housing Tax Credits, bonds or other loan, grant or operating subsidy programs.

Priority will be given to Projects that:

- Leverage other capital funding sources;
- Offer operating or project-based rental assistance;
- Exceed the minimum requirement of 10% of units for households earning at or below 30% of Area Median Income;
- Exceed the minimum number of units for people with disabilities being deinstitutionalized.
- Exceed the minimum level of accessibility that is required by applicable law(s);
- Incorporate principles of green design and Universal Design;
- Offer access to public transit and desirable neighborhood amenities; and
- Leverage funding sources to serve at-risk veterans.

As the state proceeds with the sale of bonds to generate capital funding and selecting the types of projects to

finance, the results of the RFA will help bolster the coalition's work to ensure that funding for affordable rental housing is identified and released early.

"Decreasing resources from the state's Affordable Housing Trust Fund and a decline in the value of federal Low Income Housing Tax Credits have made it harder than ever for developers working to create affordable housing. Access to new financing from the capital budget is critical to moving forward to meet the housing

needs of the state's residents, and to help to create jobs to alleviate the economic crisis," said Bob Palmer. *"We may need new roads, too, but creating affordable housing should be the higher priority."*

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THE RESURRECTION PROJECT



The Resurrection Project staff talk to Representative Edward Acevedo about including affordable housing in the capital budget.

I am writing to request the inclusion of an annual \$100 million line item in the capital budget, less than 1% of the proposed capital budget, to support the construction and preservation of affordable housing statewide through the Illinois Housing Development Authority.

Illinois has a critical shortage of affordable housing. More than 1.3 million households in Illinois pay more than 35% of their income for housing, leaving too little for other basic necessities.

Illinois under invests in affordable housing. Many states spend substantially more. California spends three times more per capita. New York spends four times more per capita. Florida spends seven times more per capita. Massachusetts spends ten times more per capita.

Affordable housing belongs in the capital budget. Affordable housing is a long-term asset that serves a public purpose. Like roads, bridges and schools, affordable housing is part of the basic infrastructure on which businesses and communities depend. Housing construction and rehabilitation create good high wage jobs around the state.

The lack of affordable housing has severe consequences for Illinois residents: Illinois communities and Illinois businesses. Therefore, we urge you to include \$100 million for housing in the capital budget.

Advocates Press for Housing Funding in Rhode Island

After a difficult legislative session that saw resources devoted to development and operation of long-term affordable housing left out of the state's FY2012 budget, housing advocates in Rhode Island are boosting their efforts to secure funding to support affordable housing development in the state.

In September, HousingWorks Rhode Island unveiled its annual Fact Book featuring the overwhelming success of the state's housing bond to an audience of more than one hundred housing advocates and business and community leaders. The convening was designed to build both awareness regarding the positive impacts generated by the state's investment in affordable housing, known as Building Homes Rhode Island (BHRI), and momentum to support additional investments in the coming year.

"We hope the information contained in the 2011 Fact Book will prompt policymakers to implement solutions that will help Rhode Islanders obtain quality affordable homes. As seen in this year's Fact Book, Building Homes Rhode Island was a hugely successful and very efficient state program. Rhode Island needs to maintain the economic momentum generated through the program with another housing bond in 2012," said Nellie Gorbea, Executive Director of Housing Works RI.

Passed in 2006 by majorities of voters in every city and town across the state, the \$50 million housing bond was used to develop 1,255 long-term affordable homes for Rhode Islanders in 30 communities, exceeding development projections by more than 25%. Eighty percent of the long-term affordable homes developed were rental, and 20 percent were home-ownership. Following up on an earlier HousingWorks RI report that

assessed the BHRI's economic impact in the state, the Fact Book details the multiple benefits produced by the bond, including:

- The \$50 million in capital stimulated about \$800 million in total economic activity, an increase of 16 times the original investment.
- Construction activity supported by BHRI accounted for 53 percent of the total estimated cost of residential construction permitted in Rhode Island from 2007 to 2010.
- At a time of record-high unemployment numbers, BHRI supported 6,100 jobs in Rhode Island.

Despite the success of BHRI, the 2011 Fact Book identifies the ongoing need for long-term affordable housing in Rhode Island: According to the report, a household earning the state's median household income of \$54,119 could afford a median-priced single-family home in just nine of Rhode Island's 39 cities and towns in the second quarter of 2011. According to the latest foreclosure figures, the monthly average of residential foreclosure deeds filed from

January through June 2011 (188 per month) is outpacing the average monthly filings for 2010 (157 per month).

Following an overview of highlights from the Fact Book, the September convening included a panel discussion on the connections between affordable housing and other critical issues, such as the economy, health, education, community life and public safety. Designed to increase attendees' understanding of the way access to quality affordable homes produces benefits that ripple through communities, participants on the panel included Kenneth Willis, Vice President and Director of the Federal Home Loan Bank of Boston; Patricia Martinez, Executive Director for Family Assistance and Student Support in the Central Falls School District; Dr. Michael Fine, Director of the Rhode Island Department of Health, and Anthony Chip Piermont, a retired community police officer from the Newport Police Department.

The panel discussion was followed by facilitated brainstorming sessions



HOUSING WORKS RI

The Panel at the convening discussing the connections between affordable housing and other issues.

designed to identify powerful messages, inform future activities, and empower messengers from a variety of sectors to motivate state and local policymakers to invest in the development of affordable homes.

Each table of attendees was asked to share (1) the top two points they would make if talking with policymakers about why affordable housing is critical to their line of work; (2) the types of research and data that HousingWorks RI should provide to make the case for a public investment in long term affordable housing; and (3) other stakeholders to target for outreach by HousingWorks RI and its members to make affordable housing a standard investment for the state. Conversations were lively and productive, and a second round of regional roundtables to be co-convened by local chapters of the Chamber of Commerce is being planned for this fall. The convenings will be designed to include local policymakers and Assembly members in the discussions about the need for long term affordable housing and to focus local media attention on the importance of funding for affordable housing.



Structured table conversations provided an opportunity to share and explore.

These convenings are part of a multi-prong effort by advocates to renew funding for long term affordable housing in the state. Next month, the Housing Action Coalition of Rhode Island and other partners have organized the “Reaching Home – RI” conference, which will draw together several hundred individuals from social service agencies, local and state government, banking industry, nonprofit developers, realtors, philanthropy, residents and housing advocates to network and attend workshops on current issues in affordable housing and homelessness. Brenda Clement, Executive Director

of Housing Action-RI noted, “*In these times of declining resources and increasing need, it is critical for all of our local partners to convene to share best practices and to develop new solutions to address affordable housing needs in our state.*”

All of these efforts are intended to refocus the state on the critical role that affordable housing investments will play in its future. “*If Rhode Island is to compete with our neighboring states in attracting and retaining both people and businesses, and promote the growth of our economy, the state needs to commit to an investment in long-term affordable housing. A consistent, dedicated funding stream would help to ensure the development of affordable housing and promote the multiplying impact of generating jobs and promoting economic growth in communities throughout the state. An investment in long-term affordable homes will also help to improve outcomes in education, public health and public safety,*” said Adrian Bonéy, HousingWorks RI Board member and Grant Programs Officer, The Rhode Island Foundation.

The Fact Book is available at:
<http://www.housingworksri.org/sites/default/files/HWRIFactBook2011.pdf>

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More than 100 advocates and other leaders attended the convening to hear about the Fact Book.

Washington Homeless and Housing Advocates Join Forces

In a move to strengthen the advocacy voice of homeless and housing advocates in Washington State, two strong and vital organizations - the Washington Low Income Housing Alliance and the Washington State Coalition for the Homeless - are joining forces to work toward an end to homelessness and an affordable home for everyone in Washington.

"We believe that harnessing the power of housing and homelessness advocacy in Washington will make our movement stronger and help us achieve our vision that all Washington residents have the opportunity to live in safe, healthy, affordable homes in thriving communities," said Rachael Myers, executive director for the Housing Alliance.

Beginning in October the Housing Alliance and the Coalition for the Homeless became one organization, operating as the Washington Housing Alliance, and advocating for the continuum of homelessness and low-income housing needs across the state.

"The work of the two organizations is already closely tied and we will be even stronger when we come together formally," said Troy Christensen, Board President of the Coalition for the Homeless. *"We're excited about joining the two organizations. We expect the merger to make us more effective advocates for ending homelessness and providing an affordable home for everyone in Washington."*

The next stages of the merger will include strategic co-branding of the Housing Alliance and Coalition for the Homeless in the short-term, to ensure that constituents of both organizations remain involved and connected. The merged organizations will have a joint housing and homelessness state legisla-



Advocates from central Washington prepare for legislative visits on Housing and Homelessness Advocacy Day 2011.

tive agenda for 2012, and a coordinated advocacy strategy to support the full range of low-income housing needs, from supportive housing for people leaving homelessness to ensuring low-wage workers can afford to live near their jobs, to maintaining and preserving home ownership opportunities for low-income families. The Housing Alliance will also continue to convene an annual conference on ending homelessness, and maintain the state-wide, grassroots advocacy networks that made both organizations effective.

"The reality is that the Housing Alliance and the Coalition for the Homeless are already part of each other's families, so many of the 'changes' in the merger are just strengthening a relationship we have had for a while," said Linda Hugo, Board President of the Housing Alliance. *"The more we looked at the possibility of a merger, the more we could see natural alignment and the potential that comes with speaking with one voice on housing and homeless issues."*

The Board of Directors of the Coalition for the Homeless and WLIHA had been working towards the merger for more than a year. The Coalition for the

Homeless board entered into conversations with the Housing Alliance about the possibilities and challenges related to a merger. The goal was to find a balance so that homeless issues would not be lost in the wider range of housing issues. Many of the Housing Alliance's members do not specifically work with homeless populations, and often have separate advocacy priorities. Another major challenge was that the board representation was structured quite differently in the two organizations.

"In the end I think we all felt that we could address the balance and structural issues by having thoughtful representation on the board and by having advisory groups that could be track specific issues and give them the attention they deserve," said Hugo. *"The guiding principle was that the work of both organizations is vitally important, and we needed to focus on what would allow the goals of both organizations to be realized instead of allegiances to past structures."*

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Tennessee Housing Development Agency Releases Housing Trust Fund Report

The Tennessee Housing Development Agency has just released its report: *"Tennessee's Housing Trust Fund: The First Five Years."* The study documents the first five years of their state housing trust fund and illustrates that the Housing Trust Fund has provided a critical financial resource for low income Tennesseans with housing needs across the state. More than 4,000 households have benefitted from the Trust Fund in 94 of state's 95 counties. The effects are felt both directly by the families served and indirectly through the economic impact of the housing activities taking place throughout the state.

The Tennessee Housing Trust Fund is funded primarily through the Tennessee Housing Development Agency, totaling \$30 million since the Fund was started in 2007. For the first three years, state appropriations of \$4.35 million helped expand the Fund. The Fund has received from \$6-\$9 million each year from FY2007 to FY2010.

In 2006, the Tennessee Housing Development Agency (THDA) started the state's Housing Trust Fund to address unmet housing needs in Tennessee.

The Trust Fund supports four major programs. A Homebuyer's Education Initiative received funding during the first two years. There is a special focus on households residing in rural areas and those with elderly or special needs members.

The largest and most flexible program within the Housing Trust Fund is the Competitive Grants Program, which offers grants to nonprofits and local governments to support innovative housing solutions. The program funds acquisition, rehabilitation, and new construction for rental and homeowner-ship units as well as downpayment and closing cost assistance for new homebuyers. Since 2007, THDA has awarded 70 grants to non-profits and local governments across the State for a total of approximately \$19.8 million. When fully expended, these funds will help 1,469 households.

Based on feedback from local partners, it became clear to THDA staff that too many elderly households in Tennessee were living in substandard housing without the means to pay for necessary repairs, nor the ability to fix the problems themselves. The Trust Fund

supports the Emergency Repair Program that helps repair the homes of elderly Tennesseans. Tennessee's nine Development Districts operate the ERP program. Each Development District is allocated \$222,000 each year: \$200,000 of these funds are used for program costs and the remainder is used for administration. This program also requires a match of one dollar for every two dollars from the Trust Fund. The maximum ERP funding for one homeowner is \$10,000, with the ability for more repair dollars through the matching funds. Since the spring of 2007, THDA has invested \$6.6 million and leveraged an additional \$4.4 million in the Emergency Repair Program. This \$11 million helped provide critical repairs to 1,191 elderly very low-income households in 88 counties.

The Rural Repair Program is administered by the U.S. Department of Agriculture's (USDA) Rural Development staff and has been supported by THDA since 2004. By adding the state's Housing Trust Fund dollars to the USDA's Section 504 Rural Repair program, THDA makes these dollars go further

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Summary of the Total Impact of the Housing Trust Fund on the Tennessee Economy

Programs	Employment	Personal Income	Business Revenue	State and Local Taxes
Competitive Grants	463	\$19,393,732	\$59,727,078	\$2,192,365
Home Modification and RAMPS	10	\$424,063	\$1,154,288	\$34,839
ERP	198	\$8,377,239	\$22,108,480	\$756,618
Rural Repair	145	\$6,101,775	\$16,881,297	\$565,857
TOTAL	821	\$34,543,582	\$100,452,686	\$3,570,122

for rural Tennesseans. Rural Repair offers grants and loans to assist rural, low income homeowners who need repairs that will remove health or safety hazards or will help improve accessibility for a homeowner with a disability. THDA Rural Repair grants are available for up to \$5,000 for non-elderly, non-disabled homeowners and up to \$7,500 for elderly or disabled homeowners. THDA's Housing Trust Fund has provided more than \$3.4 million in repairs for low-income elderly households living in the rural areas of Tennessee.

The Housing Modification and Ramps Program is designed to assist Tennesseans of low-income with disabilities make their homes accessible. United Cerebral Palsy of Middle Tennessee (UCP) operates the program statewide. HMR provides funds for the construction of ramps for Tennesseans who use wheelchairs to get in and out of their homes and, in FY2010, began including funds for home modifications to address other accessibility needs. Over the past five years, THDA has used approximately \$550,000 to support the construction of 723 ramps across 69 counties.

Tennessee's Housing Trust Fund has not only helped thousands of families, but it has had a major economic impact in the State. While its primary mission is to create safe, sound and affordable

housing opportunities, THDA also measures how its expenditures impact Tennessee's economy.

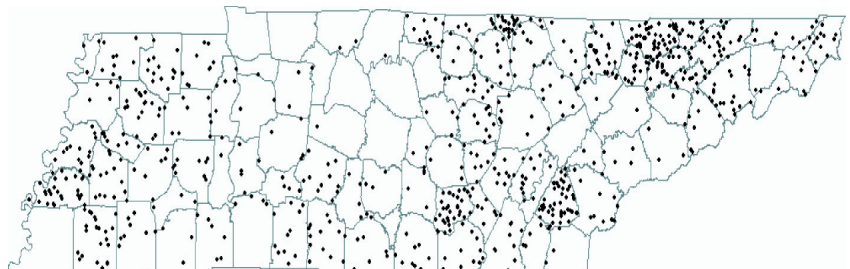
Over the first five years of the Housing Trust Fund, the programs provided employment opportunities for many individuals. The direct total employment was 409 jobs, primarily in the construction sector. In addition, 412 jobs were created through the ripple effect. Total employment impact was estimated at 821 jobs. Every 100 jobs created by Housing Trust Fund programs and grants, primarily in the construction sector, generated 101 additional jobs throughout the local economy.

Estimated tax revenue for the state and local governments through the Housing Trust Fund programs was \$3.6 million. The Housing Trust Fund programs injected into the economy a total of \$50.3 million, including matching funds provided by grantees. This spending generated an additional economic impact of

\$50.2 million (indirect and induced) through business revenue multipliers. The total contribution of the Housing Trust Fund programs to Tennessee's economy is estimated at \$100.4 million. Total personal income generated by the Housing Trust Fund programs from 2006 through 2011 was \$34.5 million.

Through the end of FY2011, Trust Fund programs have spent more than \$53 million (\$23 million dollars of Trust Fund dollars and \$30 million in matching funds), and helped more than 4,000 households across the state. This includes approximately 1,500 from the Competitive Grant Program, approximately 2,000 households through the two repair programs, and more than 700 who have received accessibility ramps.

Contact: Coralee Holloway, Community Programs Division, Tennessee Housing Development Agency, 404 James Robertson Parkway, Suite 1200, Nashville TN 37243 (615-815-2200) cholloway@thda.org.



*Households served through the Rural Repair Program. One dot = one household served.
Tennessee Housing Development Agency*

Iowa Releases New Study of Local Housing Trust Funds

The Iowa Finance Authority commissioned a study of the Local Housing Trust Fund program and a team from the College of Design's Department of Community and Regional Planning of Iowa State University has now completed a thorough assessment of the impact of the Local Housing Trust Funds across Iowa: *"Iowa's Local Housing Trust Funds: Strengths, Challenges & Opportunities."*

The Iowa Legislature created the State Housing Trust Fund in 2003 to provide financial assistance for affordable housing throughout the state. The Program contains two portions: the Local Housing Trust Fund Program receives at least 60 percent of available funds to match certified local housing trust funds and the remainder goes to the Project-Based Housing Program available to eligible applicant developers and organizations.

The Iowa Finance Authority Board of Directors approves local housing trust funds, eligible for funds from the state housing trust fund and, to date, 24 local funds have been certified. They serve 81 counties and three cities throughout the state, targeting households with incomes that do not exceed 80% of Iowa's median household income. Each LHTF must direct at least 30% of their LHTF Program funds to assist households at or below 30% of the state or local median household income.

The study gathered information in three phases: an initial analysis of data to understand trends in housing needs and availability across the state of Iowa; background information obtained from the Housing Assistance Plans and Organization Bylaws of each of the state's



HOME, Inc.'s cornerstone program is its lease/purchase service. Low income families rent with an option to purchase their homes. HOME, Inc. receives support through the Polk County Housing Trust Fund.

local housing trust funds; and interviews with administrators and/or board members of each local housing trust fund in the state.

The report provides a summary of the current Local Housing Trust Fund program and a discussion of the variations in the local housing trust funds across the state. The report examines the implications from the kinds of affordable housing programs each local housing trust fund supports. The report concludes with recommendations for additional research and some ideas to address issues raised by local trust fund administrators.

Currently, in order to be certified, a local housing trust fund must be an entitlement city, a county or counties in which an entitlement city is located, or one or more COG regions (as identified by Iowa Code). The level of funding possible for the local housing trust fund is based on the geography and the total population of the area. Funding levels are set annually and may vary depending

on the amount of funds available. The Iowa Housing Trust Fund is supported through a dedicated portion of real estate transfer tax revenues and has received funds from the Rebuild Iowa Infrastructure Fund (from FY2009 and the next three years). For the 2012 State Housing Trust Fund Local Housing Trust Fund Program \$5,004,507 is available and \$173,928 is available for the Project-Based Housing Program.

The Local Housing Trust Funds must meet certain organizational requirements which include:

1. Creating a governing board that is recognized by the jurisdiction or group of jurisdictions that it serves through the passage of resolutions providing support for the LHTF;
2. Adopting organizational bylaws;
3. Complying with Iowa's Open Meetings Law and Open Records Act;
4. Submitting a housing assistance plan documenting the needs and intended activities of the LHTF; and
5. Scheduling an open meeting for

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public comment at least once a year

Another basic requirement for an organization to receive IFA funding is procuring a minimum local match of at least 25% of the total funding awarded. The study shows that some trust funds struggle to generate the match requirements while others effectively leverage local sources and exceed the minimum. The interviews also revealed that while most LHTFs get at least some of their annual funding from the cities and counties in which they operate, several LHTF administrators described creative funding strategies that help to stretch their IFA dollars.

So far, every existing LHTF has been able to meet its minimum match, but there are significant differences in the sources of funding that make up that match. Sources included: funding from programs such as the Federal Home Loan Bank or Community Development Block Grant funds and a wide range of local and private sources, including local businesses, community foundations, gaming and racing funds,

and private individuals and banks. Rural regional trust fund administrators reported more reliance on each of the participating counties or the hosting COG to provide a major share of the required match.

Iowa's LHTFs fund a wide variety of housing activities across the entire housing continuum. Some trust funds specialize in one kind of activity, such as furnace replacement, while others fund a range of projects from homelessness prevention to down payment assistance.

The study addresses the influence of both the structure of the state's housing trust fund program and the agency of local administrators and governing boards in determining the ways that funding decisions are made. The study further explores how these factors shape the demand and supply of affordable housing in Iowa's communities.

The impact of the housing trust fund has been without question positive, as the program has provided essential support to both directly help people

in need of housing assistance and to increase the ability of non-profit organizations to provide housing.

The study's research indicates that the trust fund has helped increase the overall supply of affordable housing. According to numbers provided by the Iowa Finance Authority, \$4.09 has been leveraged for every \$1 of LHTF Program investment. To date, more than \$76.3 million in other funding has been leveraged.

The study concludes that the trust fund program has significantly improved the ability of local governments, councils of governments, and non-profit organizations to bring the issue of affordable housing to the attention of elected officials, businesses, foundations, and the general public. As the trust fund program matures, its ability to highlight the challenges of affordable housing, to coordinate service providers attempting to address affordable housing needs, and to support the production and conservation of affordable housing will continue to grow.

To obtain or view of a copy of this report, go to: http://www.iowafinanceauthority.gov/documents/filelibrary/shhf/LHTF_FinalReport_Print_B880E6EE09152.pdf

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The Housing Fellowship, a nonprofit developer, is building six affordable rental duplexes in Iowa City. Trust Fund money is one source of construction financing for the project.