

# HOUSING TRUST FUND PROJECT



Center for Community Change

## Alabama Passes Housing Trust Fund Legislation!

NEWS

2012  
SUMMER

Three years of persistent and strategic advocacy by the Low Income Housing Coalition of Alabama (LIHCA), Alabama ARISE and its allies and partners culminated in victory this May in Montgomery. On May 14, Governor Robert Bentley signed HB 110, establishing the Alabama Housing Trust Fund. Although there is no initial funding included in the Alabama Housing Trust Fund, HB110 creates a framework for Alabama to address its housing needs through Federal and state investment.

In both the 2010 and 2011 legislative sessions, LIHCA worked with housing champion Representative Patricia Todd to move trust fund legislation through the House, only to have bills die in the Senate. So, while it was a good sign when HB110 passed through the

Alabama House with 82-0 vote count within the first two weeks of the 2012 legislative session, LIHCA and its allies kept their attention and focus on the Senate. Prior to the start of the 2012 session, LIHCA mobilized constituents from every state Senate district to write a personal letter to their Senator, requesting their support of the Alabama Housing Trust Fund.

Once HB 110 moved to the Senate, LIHCA stepped up the pressure. Alabama Association of Habitat Affiliates and Alabama ARISE led a targeted lobbying effort inside the State House, while LIHCA activated its membership with timely email advocacy alerts. The result was near unanimous support in the Senate.

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*Representative Patricia Todd with housing advocates before the state house.*



LIHCA



## 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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## ALABAMA, *continued from page 1*

*"Making the Alabama Housing Trust Fund law is a major step forward towards being able to respond to the housing needs of working families, veterans, seniors and others across the state," said LIHCA Board President Marcie Porter. "Having a safe, stable place to call home is a key ingredient to prosper and get ahead. It is crucial to have leaders like Representative Todd who get it, because unfortunately in Alabama we have a huge number of families and individuals who do not have the basic comfort of home."*

The National Low Income Housing Coalition estimates that Alabama lacks more than 90,000 available and affordable homes for extremely low income residents. These statistics were published before April 2011, when tornadoes devastated communities across Alabama. Alabama's Emergency Management Agency reported the complete destruction of 5,800 homes, 7,300 homes with major damage, and another 15,000 homeowners reporting some level of storm damage. Alabama also has a significant problem with substandard housing for homeowners.

*"While we are thrilled to have the Alabama Housing Trust Fund officially established, the next step of securing adequate, ongoing funding, is obviously essential in order to provide housing opportunities to Alabama families," said Porter. "We have hardworking families throughout the state making impossible choices between paying rent and being able to afford food or pay for utilities. We can do better by our neighbors by investing public resources in the Trust Fund."*

The Trust Fund legislation targets investments in housing for working families, seniors, persons with disabilities, victims of domestic violence, veterans, people experiencing homelessness, people with HIV/

AIDS, and other households living at or below 60% of the area median income. There is a requirement that at least half of the funding must be allocated to households at or below 30% of the area median income. There is also a requirement that at least 40% of the funding serve households in rural communities, and a preference for making funding awards to nonprofit developers.

HB110 designates the Alabama Department of Economic and Community Affairs (ADECA) as the agency to administer the Alabama Housing Trust Fund, which includes the management and distribution of funds, developing and publicizing the criteria by which funds will be awarded, awarding funds through an open, competitive process, and publishing periodic housing needs assessments and an annual report on Trust Fund investments. Eligible applicants for Trust Fund awards include for-profit and nonprofit developers, municipalities, counties, and public housing authorities. Eligible activities include the development, rehabilitation and maintenance of rental and ownership housing.

The legislation also establishes the Alabama Housing Trust Fund Advisory Committee, an appointed, 16-member body, charged with advising ADECA on the implementation and administration of the Trust Fund; including the review of all Trust Fund policies and procedures, the process for awarding the funds, fund operations, and annual performance reports. The advisory committee will include representatives of the Speaker of the House, Senate President, and Lieutenant Governor, as well as



*Speaking in support of the Alabama Housing Trust Fund, an advocate from the Alabama Asset Building Coalition, is joined by Alabama ARISE and the Low Income Housing Coalition of Alabama.*

representatives from the Alabama Association of Habitat Affiliates, Low Income Housing Coalition of Alabama, Community Action Association of Alabama, Alabama Alliance to End Homelessness, Alabama Department of Mental Health, Alabama Association of Realtors, Governor's Statewide Interagency Council on Homelessness, Homebuilders Association of Alabama, Independent Living Centers of Alabama, Alabama Council for Affordable and Rural Housing, Alabama Bankers Association, the Alabama Manufactured Housing Association, and an Alabama resident earning an income at or below 60% of the area median income.

Within weeks of HB110 passage, LIHCA and Alabama Arise already began leading a charge to secure revenue, targeting the National Mortgage Settlement as a source for one-time funding. The National Mortgage Settlement, approved on April 4, 2012, is the result of a state-federal agreement settling charges that the five largest loan servicers (Ally/GMAC, Bank of America, Citi,

JPMorgan Chase, and Wells Fargo) engaged in improper servicing and foreclosure activities. The State of Alabama is scheduled to receive \$25.3 million in the settlement. In late May, Alabama Attorney General Luther Strange announced that \$19.3 million of the settlement funds would be allocated to the state attorney general's office and county district attorney's offices.

In response, LIHCA and Alabama Arise launched a media advocacy campaign that generated several news stories and an OpEd in the Gadsden Times calling for the remaining \$6 million to be allocated to the Trust Fund. LIHCA is also beginning to identify options for a permanent source of funding for future legislation.

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## KEY ALLIES in ALABAMA HOUSING TRUST FUND CAMPAIGN

Low Income Housing  
Coalition of Alabama

Alabama ARISE

AARP of Alabama

Alabama Association of  
Habitat Affiliates

Alabama Alliance to End  
Homelessness

Alabama Asset Building  
Coalition



# Colorado Uses National Mortgage Settlement Funds to Initiate Housing Investment Fund

Thanks to the leadership of Colorado Attorney General John Suthers and Governor John Hickenlooper, the vision of the State's Division of Housing and the Colorado Housing Finance Authority (CHFA), and more than a decade of advocacy from Housing Colorado and its supporters, the State of Colorado created a housing trust fund in July 2012. The State of Colorado is dedicating \$13.2 million of the \$51.2 million it received as part of the National Mortgage Settlement to establish the Colorado Housing Investment Fund, a revolving loan fund for rental housing affordable to households earning no more than 60% of the area median income.

*"The Housing Investment Fund is a dearly needed new tool to help address the housing crisis in our state, and a long time goal of housing advocates from across the state,"* said Sara Reynolds, Executive Director of Housing Colorado. *"One in four renters in Colorado pay half or more of their incomes for housing, meaning working families, veterans, seniors and many others are making choices between paying rent and affording groceries and medicine. The Housing Investment Fund will allow us to increase the supply of housing affordable to these people, and help them regain the security of home."*

The Housing Investment Fund is structured to provide low interest short-term loans, primarily construction loans, to help reduce the cost of financing construction during the development of affordable housing. Loans will be used for acquisition, new construction, and rehabilitation of rental housing, as well as bridge loans. Loans will be made

for up to \$2 million, with terms of five years or less. Twenty percent of the loan may be converted to a long term cash flow loan--long-term debt that can be deferred until the property is sold or refinanced. Mixed income developments will be eligible for loans, but the loan amount is to be tied only to the housing serving those with incomes at or below 60% of the area median income.

The fund will be leveraged with Private Activity Bonds. Due to the major impact of the foreclosure crisis on rental markets, the decision was made to target funds initially to affordable rental for households with incomes below 60% area median income with a goal of producing at least 750 affordable units. Building on the previous work on a Colorado Housing Investment Fund, the current Housing Investment Fund priorities could change over time based on the most pressing State housing needs. This fund will grow in the future because it has been designated to receive any unspent funds and returns generated from the Supplemen-

tal Loan-modification programs as early as three years from now, or when the foreclosure crisis has abated.

The Division of Housing projects providing loans at interest rates between 2% and 5% below a conventional construction loan would generate a savings of approximately \$150,000 in construction finance costs for a \$2 million loan with a 5-year term. The Housing Investment Fund is expected to leverage more than \$150 million to finance affordable housing throughout Colorado and create or sustain 1,050 jobs.

The Division of Housing will administer the Housing Investment Fund, including collecting a 0.5% origination fee to fund administrative activities. The Colorado State Housing Board will review the accomplishments of the Fund annually and report to the Attorney General. Five years from initiation of the Housing Investment Fund, the State Housing Board will review the Fund and recommend reallocation based on market needs in Colorado.



COLORADO DIVISION OF HOUSING

*Division of Housing Director Pat Coyle addresses luncheon attendees at annual holiday gift drive.*

*"Construction costs, increasing rents, and limited household incomes continue to be a barriers to the production of affordable housing," said Pat Coyle, Director of the Colorado Division of Housing. "This new fund can help our partner agencies bring down some of their borrowing costs which will in turn keep their rents a little lower."*

From the moment it became clear that Colorado would receive funds from the National Mortgage Settlement, the Offices of the Attorney General, the Governor, the Division of Housing and CHFA led a coordinated effort to ascertain the housing and foreclosure-related needs of the people in Colorado with the goal of identifying the best possible uses of settlement funds.

*"Both the Attorney General and the Governor deserve a lot of credit for the level of engagement and coordination of the housing community," said Christopher Stefan, Housing Colorado Board Member and Chair of the Advocacy Council. "Throughout, they sought our expertise and they listened to our input in a process that was open and easy to access. Similar credit goes to the Division of Housing and CHFA. They are true partners with Colorado's housing*

*development community, and we have a long history of successful collaboration. Their leadership helped assure that the state was going to use the settlement funds in ways that will have the greatest impact on Colorado communities."*

In mid-March, Attorney General Suthers held two public hearings (to which he also invited several legislators with interest in housing and foreclosure issues) and released a draft proposal for public comment. The initial proposal included supplemental loan modification; an affordable housing investment fund; and counseling, foreclosure hotline, and legal services funding, as well as the flexibility to shift among these categories as needed.

Both CHFA and the Division of Housing began soliciting comments on the proposal, tapping Housing Colorado and its members for their expertise in assessing what would be feasible and have the highest impact with the settlement funds. Further demonstrating the commitment to using settlement to provide housing relief, Attorney General Suthers included Division of Housing Director Coyle in the Colorado delegation to the National Mortgage Settlement announcement on April 4, 2012.

In addition to the Housing Investment Fund, Colorado is using settlement funds for a supplemental loan modification programs (\$24.0 million), housing counseling support (\$5.6 million), housing for homeless veterans (\$4.9 million), Colorado Legal Services (\$1.5 million), Attorney General's Office enforcement (\$750,000), a foreclosure hotline (\$600,000), and marketing and outreach (\$500,000).

*"In many states we have heard that settlement funds have been diverted to uses beyond housing or foreclosures, and we are exceedingly grateful for elected officials who are responsive, thoughtful and listen to those with feet-on-the-ground housing experience," said Stefan. "At a time when the need for affordable rentals is quite high, the Housing Investment Fund will serve as an important part of the solution to the current affordable housing problem. The Fund is also a step towards our long term goal: the creation a larger and more flexible fund with dedicated revenue."*

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## COMMUNITY IMPACT

[www.housingcolorado.org](http://www.housingcolorado.org)  
Did You Know?

- **A Stable Home Environment Results in Better School Performance:** When kids don't have to move all the time, they miss less school. Students who had a nearly perfect (95%) attendance record had twenty percent higher testing scores than peers who attended class 80% of the time or less.

- **Driving till you Qualify Doesn't Mean a Cheaper Cost of Living:** Families "driving till you qualify" end up paying 77 additional cents to cover transportation costs for every dollar saved by moving to a house that's affordable but farther from work.



- **Housing and Healthcare:** "A stable and safe home is the solid base all families need for good health. In our hospital systems, the 'No Shows', cancelled appointments, and overburdened emergency room care facilities all point to household instability."  
- Anne Warhover, Colorado Health Foundation.

# Washington, D.C. Housing Advocates Restore Funding for the Housing Production Trust Fund

The Washington, D.C. Council restored \$18 million to the Housing Production Trust Fund when they approved the Fiscal Year 2013 budget. Thanks to months of advocacy, nearly \$25 million will be invested to the Continuum of Housing including this commitment to the Trust Fund, an additional \$4 million to the Local Rent Supplement Program to provide additional tenant-based vouchers, and \$2.5 million to the Home Purchase Assistance Program.

Housing for All, a campaign of the Coalition for Nonprofit Housing and Economic Development, engaged residents and other advocates in a multi-tiered campaign to make sure Council members understood the importance of funding the Housing Production Trust Fund. Mayor Vincent C. Gray has taken some \$38 million out of the Housing Production Trust Fund over the last two years. The Fund is supported through revenues from the Deed Recordation and Transfer Tax.

The Trust Fund has created more than 7,000 homes in its ten-year history and another 1,000 homes are in various stages of development. Yet over the last decade, the District has lost 20,000 affordable homes. Priorities of the Housing Production Trust Fund are to preserve affordable housing and produce high-quality new affordable housing.

In March, Housing for All held Housing Town Hall Meetings in Wards 4 and 7. More than 50 people came out to Christ Lutheran Church to the

Town Hall Meeting, co-hosted with Transitional Housing Corporation, and nearly 70 joined the meeting in Ward 7 at Marshall Heights Community Development Organization. The stories shared by residents highlighted the need for safe affordable homes in these communities where they had grown up, raised children, volunteered, and helped sustain the vitality of these neighborhoods.

In April, the Campaign held a Housing for All Rally with more than 100 demonstrators. In addition to a premiere showing of the disappearing housing budget demonstration, participants were encouraged to testify in front of the Department of Housing and Community Development—the administering agency of the Housing Production Trust Fund. Participants used shared language around housing as the foundation of every community.

With more than 6,000 homeless people and at least 50,000 households paying more than half of their income for housing, fully funding the Housing Production Trust Fund is a necessary component in providing a stable home for everyone throughout the District's neighborhoods. At the City Council Committee on Housing and Workforce Development budget oversight hearing, District residents testified in favor of restoring cuts made to the Housing Production Trust Fund.

Throughout May, the Housing for All Campaign advocates tweeted members of the DC Council with their vision of Housing for All ... check out some of the great pictures from around the city, illustrated on the next page.

D.C. Council Chairman, Kwame R. Brown finalized his budget priorities and made affordable housing the cor-

HOUSING FOR ALL



*Housing for All supporters gather before the budget vote in Washington, D.C.*



*With funding from the District's Housing Production Trust Fund, the National Housing Trust-Enterprise Preservation Corporation purchased St. Dennis in the District's Mt. Pleasant neighborhood. The 32-apartment complex was renovated and eight apartments are set aside for the D.C. Housing Authority. A mix of one and two-bedroom apartments are available to residents earning less than 60% of the area median income.*

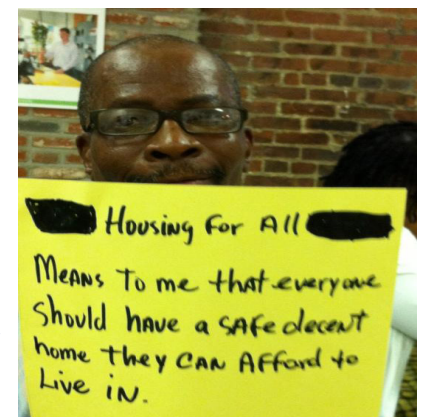
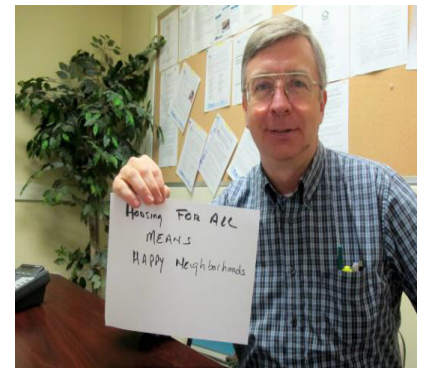
nerstone of his plan. The \$18 million budgeted for the Housing Production Trust Fund was made possible by the pending sale of a city building in Ward 6. During the budget session, several Council members, including Brown, highlighted the value of the Trust Fund and added an additional provision that could use future revenue to fund the Trust Fund if the sale of the building is delayed.

Bob Pohlman, Executive Director of the Coalition for Nonprofit Housing and Economic Development reflects on advocates' optimism for the Housing Production Trust Fund: *"We're gratified that the Housing for All Campaign has begun to change the conversation about affordable housing in the District of Columbia."*

Indeed, the Housing for All Campaign has possibly turned the tide for the Housing Production Trust Fund building an impressive case for the importance of investing in affordable homes

throughout the District and regaining the revenues originally intended to sustain the Fund and its initiatives.

Contact: Bob Pohlman or Elizabeth Falcon, Coalition for Nonprofit Housing and Economic Development, 1432 U Street, N.W., 1st floor annex, Washington, D.C. 20009 bpohlman@cnhed.org or efalcon@cnhed.org or 202-745-0902 <http://housingforallblog.org/>



*A few examples of the support generated by the Housing for All tweeting campaign.*

# San Francisco Mayor Initiates Housing Trust Fund Process

San Francisco Mayor Edwin M. Lee announced at his January inauguration his commitment to working with the city's affordable housing community to establish a local permanent source of funding for a local housing trust fund to replace the impending loss of revenues due to the State's dissolution of redevelopment agencies. The charter amendment proposal for a General Fund set-aside for the Housing Trust Fund was recently presented to the Board of Supervisors. The charter amendment is expected to be considered by the Board of Supervisors in July and the measure go before voters in November 2012.

The Charter Amendment was developed by a Housing Trust Fund Working Group assembled by Mayor Lee, with representatives from different stakeholders in local housing policy and real estate development, including: affordable housing advocates and affordable housing developers, market rate developers and development advocates, realtors, lenders, small property owners and members of the Board of Supervisors.

The group was charged with developing a long-range sustainable plan to fund affordable housing production for lower-income households totaling \$1.1 billion over a 30-year period. The plan is also to expand new homeownership and rental programs for San Francisco's moderate income households and stimulate production of moderate-income below-market-rate housing by reducing residential production costs associated with the City's inclusionary housing program and provide increased certainty to market rate development by stabilizing affordable housing fees in existing plan areas.

The Housing Trust Fund will begin with a set aside of \$20 million in general fund revenue and increase to \$50 million a year by year thirteen, then index to the city's general fund growth. The Housing Trust Fund will mainly recapture and recycle former Redevelopment Agency Tax Increment funds that had been dedicated to affordable housing, as well as the addition of a small portion of Hotel Tax revenues that had already been appropriated yearly for affordable housing, plus an additional \$13 million in new General Fund revenue.

A companion ballot initiative would increase the real estate transfer tax for transactions involving all properties valued at \$1 million or above by 0.2%. If approved by voters, in total an estimated \$1.1 billion will be invested in affordable housing production and programs over the next 30 years in San Francisco.

The charter amendment provides broad

parameters for the operation of the Fund: to create, acquire, and rehabilitate affordable housing; promote affordable home ownership programs in the City; lower and stabilize the impacts of affordable housing regulatory impositions on private residential projects (by reducing on-site inclusionary zoning requirements); and authorize the development of affordable rental units in the City.

Within this design, the Fund will specifically:

- Create, acquire and rehabilitate rental and ownership housing for households earning up to 120% of the area median income.
- Invest \$15 million within the first five years in a down payment assistance program for residents to purchase their first home in San Francisco.
- Utilize within the first five years up to \$15 million for a Housing Stabilization Program to help distressed residents remain in their homes and

BRIDGE HOUSING



*North Beach Place contains 341 apartments, commercial space and a childcare/community center. Located in San Francisco's popular North Beach area, with proximity to both transportation and employment, this complex is a model for urban infill developments. Bridge Housing received funding from HUD, the San Francisco Mayor's Office of Housing, Federal Home Loan Bank of San Francisco, among many others.*

assist low income homeowners with improvements to reduce the risk of losing housing.

- Funds may be used for an Infrastructure Grant Program of up to 10% of the annual Housing Trust Fund amount, utilizing recycled former Redevelopment tax increment infrastructure bonds, appropriated to help build-out public infrastructure needed to support increased residential density.

The Housing Trust Fund is part of Mayor Lee's 17-point Roadmap to Good Jobs and Opportunity. With the elimination of the Redevelopment Agency, the City has lost a primary engine for producing affordable housing. The Mayor's Office of Housing also projects a 48% cut to federal HOME funds. These cuts would decimate future affordable housing production in San Francisco. According to the San Francisco Office of Economic and Workforce Development, after the economic downturn, affordable housing represented 42% of the new units produced in 2010. And for every 100 units of affordable housing created, 117 construction jobs and 30 management, maintenance and service jobs are created.

In 2011, only 418 units of new housing were constructed in all of San Francisco, half of which were affordable. If demolitions and removals are factored in, that number drops to 269.

The "Out of Reach" report released by the National Low Income Housing Coalition last March found that San Francisco had the most expensive housing rental market in the country. The average rent on a two-bedroom apartment in San Francisco is just over \$1,900 a month. It would take the full-time salaries of 4.6 jobs at San Francisco's highest-in-the-nation minimum wage to afford one of those two bedrooms.

#### Sources of Public Financing for Affordable Housing FY 2002-03 through FY 2010-11

Source	Total Financing	Percent of Total
<b>Federal and State Tax Credits</b>	<b>\$692,263,182</b>	<b>36%</b>
<b>Tax Increment Revenues and Bond Proceeds</b>	<b>\$460,130,116</b>	<b>24%</b>
<b>State Loans and Grants</b>	<b>\$298,419,994</b>	<b>16%</b>
<b>Federal Grants</b>	<b>\$194,768,626</b>	<b>10%</b>
<b>City General Fund, Affordable Housing Fees, Other</b>	<b>\$191,637,929</b>	<b>10%</b>
<b>Developer Contributions and Other Income</b>	<b>\$ 73,381,353</b>	<b>4%</b>
<b>Total</b>	<b>\$1,910,591,200</b>	<b>100%</b>

**Source: "Performance Audit of San Francisco's Affordable Housing Policies and Programs" by the San Francisco Budget and Legislative Analyst, January 18, 2012.**

*"Creating a permanent source of revenue to fund the production of housing in San Francisco will ensure that San Francisco is a viable place to live and work for everyone, at every level of the economic spectrum," said Mayor Lee. "Creating affordable and middle class housing will also help build our economy and create jobs in San Francisco."*

The Mayor's Office of Housing documented economic competitiveness to the Housing Trust Fund Working Group and summarized these key factors:

- Housing production plays an important role in San Francisco's economy.
- Matching housing production to housing need increases economic competitiveness.
- We continue to struggle to close the gap between what people need, and what people can afford.
- Funds to support housing production are in steep decline.

Given reductions in funding for affordable housing, the Mayor's Office of

Housing predicts that approximately \$150 million in annual investment in San Francisco's local economy will not occur, 300 units of housing won't be built, 350 construction jobs will not be created, and 90 permanent jobs will not be created. The affordability gap for low and moderate income households will widen.

Housing advocates throughout the City are gearing up to ensure passage by the Board of Supervisors and broaden the public's understanding of the importance of investing in affordable housing in San Francisco.

Contact: Olson Lee or Dan Adams, San Francisco Mayor's Office of Housing, 1 South Van Ness, 5th floor, San Francisco, CA 94103 (415-701-5500) or Peter Cohen, Council of Community Housing Organizations, 325 Clementina Street, San Francisco, CA 94103 (415-882-0901) [www.sfccho.org/](http://www.sfccho.org/)

# Nebraska Commits \$1 Million in National Mortgage Settlement Funds to Trust Fund

Housing advocates in Nebraska, led by the Nebraska Housing Developers Association, have won a commitment of \$1 million in National Mortgage Settlement funds for the state's Affordable Housing Trust Fund. After fighting state proposals to redirect and reduce funds dedicated to the Affordable Housing Trust Fund, advocates have found their increased advocacy having a measurable impact.

In 2011 funds were diverted from the Affordable Housing Trust Fund to the state's Site and Building Development Fund and an Industrial Recovery Fund. The documentary stamp tax dedicated to the Affordable Housing Trust Fund was also reduced, but advocates prevented more dire proposals from passing. Because of the strong advocacy, the trust fund was not hit as hard as had been proposed.

Now winning an additional \$1 million to help recover lost revenues to the Affordable Housing Trust Fund, advocates are also looking to the possibility of additional revenues in 2013 with a strong legislative champion on the

Appropriations Committee. The state, itself, received more than \$8 million from the National Mortgage Settlement.

The Nebraska Housing Developers Association has been strengthening its statewide policy network by mapping where its members are throughout the state and developing a strong policy advocacy strategy. The Association has nearly sixty members statewide.

Danielle Hill, Executive Director of the Nebraska Housing Developers Association offers her appreciation for the advocacy statewide: *"Thanks to the many advocates who engaged in the legislative process. This is the first time the Fund has received an increase of dollars, since 2005 and is a step in the right direction to restore funding previously lost from the Housing Trust Fund."* Hill adds, *"Housing is a critical component to keeping our communities strong and making a positive impact on our economy. In addition to creating jobs and leveraging other resources, every dollar of the Housing Trust Fund invested in our communities is multiplied seven times in community benefits, e.g., increased tax revenues to support public services, increased revenues to local businesses, and etc."*

The Nebraska Affordable Housing Trust Fund was created by legislation in 1996 with the dedication of documentary stamp tax (real estate transfer tax) revenues. It is administered by the Department of Economic Development. The Fund has awarded at least \$88 million since its inception creating nearly 5,000 homes. These funds were leveraged by more than \$300 million in additional public and private funds and helped create at least 6,300 jobs.

Lincoln Senator Danielle Conrad proposed that the total of \$8.8 million in settlement funds be used for affordable housing. While not finding support for all of the funds going into the state's housing trust fund, she did succeed in transferring \$1 million. *"In my opinion,"* Conrad said, *"these funds were meant to help make up for misdeeds related to the recent housing crisis, thus they should be used for housing programs,"* according to the Lincoln Journal Star.

The Nebraska Housing Developers Association is looking to build its advocacy with this success and gain additional revenues in 2013 to help strengthen the Nebraska Affordable Housing Trust Fund.

Contact: Danielle Hill, Nebraska Housing Developers Association, 3883 Normal Blvd., Suite 206, Lincoln, NE 68506 (402-435-0315) [www.housingdevelopers.org](http://www.housingdevelopers.org)

*East Meadows Senior Apartments was developed by Three Rivers Housing Development Corporation in Tekamah, Nebraska. The complex features twelve, two-bedroom apartments for senior residents with incomes below 60% of the area median income.*

THREE RIVERS HOUSING



# Vermont Housing and Conservation Advocates Sustain Support for State Fund

GILMAN HOUSING TRUST

Vermont housing and conservation advocates are on a roll ... for the second year the Vermont Housing & Conservation Coalition, with the Vermont Affordable Housing Coalition, won increased revenues for the state Housing & Conservation Trust Fund. The Fund's dedicated revenue source—a portion of the property transfer tax—was restored, following several years of sharp cuts intended to help the State close funding gaps. Funding for FY2013 was increased by \$1.2 million to \$14 million for the Housing & Conservation Trust Fund.

Governor Peter Shumlin pledged full funding of the Vermont Housing and Conservation Trust Fund (under its authorizing statute, the Fund is to receive one-half of the revenues generated by the state's property transfer tax) on the campaign trail two years ago and he has met his promise through budget recommendations both last year and this year.

State advocates say both the Governor and state legislative leaders understand the key role played by affordable housing and conservation in fostering economic development and maintaining vibrant communities. They understand that investment in affordable housing spurs jobs. They understand that employers need affordable housing opportunities to attract employees and retain a capable workforce. They understand that permanently supportive housing—with needed services—are imperative for ending homelessness.

And state advocates provided the information necessary to support these views and to strengthen their grassroots constituency with the tools and infor-



*In downtown Newport, the Gilman Housing Trust and Housing Vermont are redeveloping five buildings with 21 new and existing units. The partners will construct 14 new apartments in two new buildings, rehabilitate seven apartments in three existing buildings, and demolish five substandard buildings. This smart growth project will increase the density on Newport's Main Street, providing a positive boost to the vitality of the downtown area. VHCB provided funding for the acquisition and rehabilitation, plus federal HOME funds to increase affordability. Energy efficiency improvements will help the buildings remain sustainable into the future.*

mation for effective advocacy. Campaign materials were restructured and updated to provide the necessary data to illustrate the economic advantages of investing in affordable housing. They are posted online here: <http://www.vtaffordablehousing.org/resources.php?category=Vermont Housing and Conservation>.

These reports include basic housing need data, an assessment of the housing delivery system in Vermont, a report on how housing/conservation efforts stimulate the economy, comprehensive information on the accomplishments of the Fund, and concrete examples of how the Fund responded to the Tropical Storm Irene. The Vermont Housing

and Conservation Board provided \$2 million in funding over two years to help provide the 25% match needed to take advantage of FEMA's flood hazard buy-out program.

In addition, housing and conservation advocates have been intentional and consistent in educating the public and elected officials about the outstanding record of the Trust Fund and the key contributions of the nonprofit housing community in the responsible use of public dollars and the impact these programs have had on communities and their families. Vermont advocates understand that this work is year-round.

*continued on page 12*

Policy makers are invited to ground breakings and ribbon cuttings on new developments providing an opportunity to meet local folks who live in the affordable homes provided. The annual legislative day sponsored by these advocates is always one of the best attended and organized events at the state house. Chris Donnelly of the Champlain Housing Trust and housing co-chair of the Vermont Housing and Conservation Coalition reflects, *"We are fortunate in Vermont to have good access to our policy-makers. We engage our legislators and administration year round and state leaders have come to understand how valuable this program is to low-income Vermonters while being an important component of the economic vitality of the state."*

The Vermont Housing and Conservation Board (VHCB) was established by the General Assembly in 1987. VHCB makes loans and grants to nonprofit organizations, municipalities and state agencies that work on conservation and affordable housing projects in Vermont

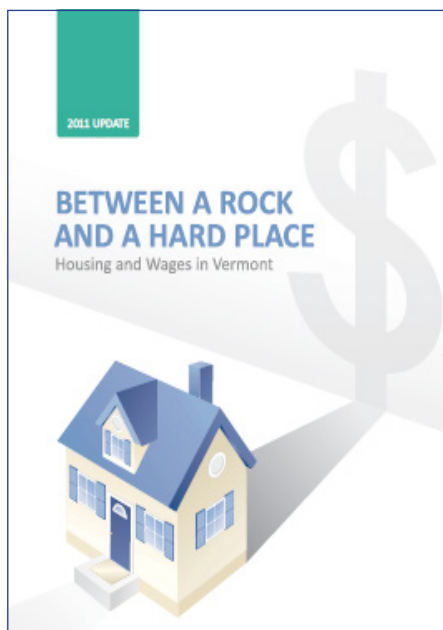
communities. VHCB is one of a few programs of its kind in the country, emphasizing the dual goals of conservation and affordable housing, investments that are critical to Vermont's economic vitality and quality of life. By responding to local needs, VHCB supports a variety of solutions from creating supportive housing for veterans to re-developing underused historic buildings as workforce housing; from conserving recreation areas on Lake Champlain to keeping farms in production and owner-operated. VHCB's bottom-up approach ensures that solutions are tailored to successfully meet local needs and circumstances.

Through December 2011, the Vermont Housing and Conservation Board had invested \$260 million through loans and grants in more than 200 different communities throughout Vermont. These funds have helped to create 10,544 affordable homes for 26,000 Vermonters. More information regarding the Housing and Conservation Fund is

available on the Housing and Conservation Board website: [www.vhcb.org](http://www.vhcb.org).

Advocates for housing and conservation formed the Vermont Housing and Conservation Coalition in 1986 to establish the Vermont Housing and Conservation Trust Fund through the Vermont Legislature. With more than 60 participating organizations, the Coalition provides information in support of the Vermont Housing and Conservation Trust Fund to the general public, the Vermont Legislature, and the Administration. Kenn Sassorossi of Housing Vermont credits the work of advocates, *"The coalition of affordable housing and conservation advocates has endured because each appreciates the critical importance the other plays in sustaining a Vermont that works for everyone."*

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## From "Between a Rock and a Hard Place" 2011 Vermont Housing Finance Agency

- A renter household must earn \$19.02/hour while working full time to afford a modest 2-bedroom unit at HUD's Fair Market Rent and only pay 30% of their income for rent and utilities.
- Over 300 occupations, more than 53% of Vermont's non-farm occupations, have median salaries less than this Housing Wage.
- All but two of the 10 occupations employing the most Vermonters have median wages below the Housing Wage. Together, these professions employ over 60,800 Vermonters or 22% of the state's workforce.
- 62% of Vermont's households had only one, or less than one, full time worker.
- An estimated 34,000 renting households were cost burdened, or paying more than 30% of their income for housing costs. This is 47% of all renting Vermonters, ranking the state 17th worst in the nation.