

Submitted by
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THE NATIONAL HOUSING TRUST FUND CAMPAIGN
c/o National Low Income Housing Coalition ■ 1012 Fourteenth Street, NW, Suite 610
Washington, D.C. 20005 ■ (202) 662-1530 phone ■ (202) 393-1973 fax

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Dislodge obstacles to affordable housing . . . *from the Atlanta Journal Constitution*

Published on: 10/27/05

Our nation's disadvantaged citizens should not be forced to choose between an affordable place to live and the unfettered ability to participate in the democratic process. But a noxious provision quietly tucked into a more far-reaching bill approved yesterday by the U.S. House of Representatives would have that sinister effect.

Ostensibly, H.R. 1461 would create a fund of up to \$600 million a year for new affordable housing. The money would be drawn from the after-tax profits of Freddie Mac and Fannie Mae, quasi-governmental mortgage companies that would be subject to stricter oversight under the bill.

Initially the affordable housing fund would be used to help rebuild homes along the Gulf Coast that were wiped out by Hurricanes Katrina and Rita. In later years it could also be tapped by reputable and experienced nonprofit housing groups in other parts of the country.

But the Republican Study Committee, representing the Taliban wing of the GOP, has attached a poison pill to the measure. It would bar all nonprofit housing groups from applying for federal affordable housing grants if they had participated in any voter registration efforts within the last year, even if they used their own money to do so.

An RSC staff member claimed the provision merely seeks to prevent nonprofit housing providers from also engaging in lobbying or electioneering, but existing laws already forbid such activities.

The partisan intent of this provision couldn't be more obvious — or odious. It would suppress voter registration, and get-out-the-vote efforts directed at the poor and minority groups that have historically supported Democrats. More disturbingly, the prohibition wouldn't apply to for-profit groups engaged in the same type of voter registration programs as their nonprofit peers.

"I would call it the Non-Voting Rights Act of 2005," said the Rev. Willie Gable of the National Baptist Convention, one of nearly 700 nonprofit groups that have voiced their opposition to the provision.

The House vote is particularly shameful because the establishment of an affordable housing fund to help low-income Americans is a laudable goal, and one that is long overdue.

In 2003, the Joint Center for Housing Studies at Harvard University found a supply gap of about 2 million affordable housing units nationwide. That includes almost 400,000 Georgians who are living in what is considered "severely unaffordable" housing that consumes more than 50 percent of their income.

That's why this cynical attempt to deny worthy nonprofit groups their freedom of speech and to restrict the free flow of information to those often at the margins of our society is disgraceful. Moreover, it's unbecoming for a mature democracy that purports to serve as an example for the rest of the world.

To see the original article, click the following link : (Note: You must subscribe to view)
<http://www.ajc.com/opinion/content/opinion/1005/27edhousing.html>

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May 26, 2005

Dear National Housing Trust Fund Campaign partners,

We made an important step yesterday towards our goal of increasing federal funds to build more rental housing that is affordable for the lowest income people. The Financial Services Committee of the U.S. House of Representatives approved the "Federal Housing Reform Act of 2005," a bill to strengthen federal regulation of Fannie Mae and Freddie Mac. The bill also expands these government sponsored enterprises' missions to provide more affordable housing.

The mission component of the bill includes a provision that 5% of the companies' after tax profits be dedicated to affordable housing funds. The initial estimate is that 5% of their profits will be \$400-\$600 million in the first years and will go as high as \$1 billion annually eventually.

The affordable housing funds are to be used to benefit extremely low and very low income families, though the bill does not prescribe how much should be used for each income group. The funds can be used for capital grants for the production, preservation, and rehabilitation of rental housing, as well as assistance for first time homebuyers. One eighth of the funds is set aside for a leverage fund to support housing and economic development. The funds may be used only for direct housing purposes and cannot be used for administrative expenses. At least 10% of the funds are to go for home ownership. There is a preference for projects that will benefit extremely low income families.

Fannie Mae and Freddie Mac will administer their respective funds, with strict oversight by an Affordable Housing Board based at the new independent regulating agency. This board will be composed of the director of the regulating agency, the Secretaries of HUD and Agriculture, and equal numbers of representatives from the for-profit and non-profit housing sectors.

The bill was voted out of committee by a vote of 65 to 5 and now heads to the House floor, as early as the second week in June. The White House wants more restrictions placed on Fannie and Freddie and objects to the affordable housing fund, so considerable advocacy is needed to assure smooth passage out of the House.

Similar legislation is in development in the Senate. You will recall that the Senate Banking Committee took up a bill to regulate Fannie Mae and Freddie last year in the 108th Congress. The overall bill was voted out of committee on a partisan vote and was never taken up by the full Senate. However, a provision to set up an affordable housing fund with 5% of Fannie and Freddie profits had unanimous support.

The affordable housing fund is not everything we want, but this is a HUGE victory for extremely low income families who need decent and affordable housing. There will be opportunities in the Senate and in the conference committee to improve the bill. Representative Barney Frank (D-MA), the Ranking Member of the Financial Services Committee, has publicly pledged to work to target the entire fund to extremely low income families.

We owe a special thanks to Mr. Frank, Committee Chairman Mike Oxley (R-OH), and Housing and Community Opportunity Subcommittee Chair Bob Ney (R-OH) for joining in a bipartisan fashion to craft the legislation to create this new affordable housing fund. The way was paved for this victory by the hard work of you, the endorsers of the National Housing Trust Fund Campaign, and the sponsors of legislation to create a National Housing Trust Fund. However, we consider enactment of this legislation to be just the first step in this campaign to achieve our goal of 1.5 million new units of housing affordable for extremely low income people in ten years.

Thank you for your commitment to solving the housing problems of low income people in our country and for sticking with the National Housing Trust Fund campaign through these turbulent political times. Together, we will win!

Letter to NHTF Endorsers: House Committee Approves New Affordable Housing Fund

Sincerely,

Sheila Crowley, President
National Low Income Housing Coalition

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The Campaign's Policy Proposal

(For a .pdf version of the proposal, [click here.](#))

- **Goals and Objectives.** A National Housing Trust Fund should be established to serve as a source of revenue for the production of new housing, and the preservation or rehabilitation of existing housing that is affordable for low income people. The goal of the National Housing Trust Fund should be to **produce, rehabilitate, and preserve 1,500,000 units of housing over the next 10 years.**
- **Dedicated sources of capital.** The Trust Fund should be capitalized with **ongoing, permanent, dedicated and sufficient sources of revenue** to meet the goal of 1,500,000 housing units over the next decade. The funds used to capitalize the National Housing Trust Fund shall not be those that are currently funding other federal housing programs. The establishment of a National Housing Trust Fund is intended to **generate new, additional dollars** for housing and all other housing and community development funding should be at least at a maintenance of effort level.
- **Eligible activities.** The Trust Fund should be used for the production of new housing, preservation of existing federally assisted housing, and rehabilitation of existing private market affordable housing. **The Trust Fund should be primarily used for rental housing.** We support allowing up to 25% of funds to be used for homeownership activities, so long as low income people are served. Funds can be used for both grants and loans. Cooperatives are eligible uses of Trust Fund dollars in all cases as long as income targeting requirements are met.
- **Income targeting.** At least 45% of the **Trust Fund dollars should be used for housing that is affordable for extremely low income households**, that is, those with incomes under 30% of the higher of state or area median. In addition, at least 30% of total Trust Fund dollars should be used for **housing that is affordable to households with incomes at the equivalent of full time prevailing minimum wage earnings or less.** No more than 25% of Trust Fund dollars can be used for low income households with incomes up to 80% of the higher of state or area median provided these funds are restricted to housing production, preservation, or rehabilitation in low income neighborhoods. In all cases, no one should pay more than 30% of their income for housing.
- **Term of affordability.** Housing funded through the Trust Fund should be required to **remain affordable for 50 years.**
- **Operating subsidy.** Projects funded through the Trust Fund should **assure that any operating subsidy needed to make the housing affordable for a range of extremely low income people is provided.** That could be by using Trust Fund assistance to underwrite the operating subsidy for new or rehabilitated units for one year, after which the operating subsidy funding should come from other sources.
- **Distribution.** Trust Fund assistance should be distributed by **formula allocation, based on** criteria that assure distribution in proportion to the need for eligible housing, with 60% of Trust Fund assistance allocated to localities and 40% of Trust Fund assistance allocated to states. The distribution of funds should ensure that every type of community - urban, rural and suburban - has access to funds and should encourage regional consortia. Grantees will distribute the funds to **eligible entities prepared to conduct activities** that are eligible for Trust Fund support. If an eligible grantee declines to apply for Trust Fund assistance, an alternative application process should be established so that other entities in the jurisdiction can receive and distribute the Trust Fund dollars. If eligible entities in the jurisdiction do not qualify to receive all the Trust Fund dollars allocated to the jurisdiction that are unclaimed, the unclaimed funds should be used to provide bonus payments to jurisdictions that succeed in expediting development of Trust Fund units or reducing development costs through state or local laws, policies or procedures.
- **Rural access to funds.** To ensure rural and non-entitlement areas access to Trust Fund assistance, at least 50% of the 40% to states must be used in rural areas (as defined in Title V of the Housing Act of 1949, as amended). In states where the rural population is greater than 20%, a proportionate amount must go to rural areas. In addition, entitlement areas that include rural areas must use Trust Fund assistance in proportion to identified need in those rural areas.

The Campaign's Policy Proposal

- **Green housing.** Projects that keep costs lower by employing energy efficiency standards and other "green housing" principles will be preferred applicants for Trust Fund dollars.
- **Match (monetary).** States, localities, or non-profit organizations receiving Trust Fund assistance should **match the federal funds** in the following manner. If the entity uses state, local, or private revenue for the match, it will receive two federal Trust Fund dollars for every dollar it provides. If an entity uses locally controlled federal dollars (HOME, CDBG, LIHTC, private activity bonds, TANF funds, project-based vouchers) for the match, it will receive one Trust Fund dollar for every dollar of match it provides. This match requirement may be waived for jurisdictions that demonstrate **fiscal distress**. Revenue committed by a jurisdiction to a Trust Fund-assisted project to provide services to residents should qualify as matching funds in the same manner as revenue committed to meet the acquisition, development or operating costs of a property. Additional payments made by a jurisdiction to a locality that will incur additional local education costs as a result of the siting of Trust Fund-assisted units should be considered state or local revenue for the purposes of the match requirement.
- **Match (alternative.)** Jurisdictions that succeed in siting Trust Fund-assisted units in regions that are projected to have sharp rises in rental expenses and therefore gentrification with the potential for displacement, or where a zoning variance or other **waiver of regulatory barriers** was required should, in the following year, be eligible to receive Trust Fund assistance with a reduced match.
- **Mixed income and economic opportunity.** New housing production and financing in urban and suburban areas should be done in a way that assures that **extremely low income households are not isolated from economic opportunity**, and that units are located in proximity to public transportation, services, economic opportunities, or contribute to comprehensive community revitalization. Thus, Trust Fund dollars should be **utilized in conjunction with other funds** to complete the financing for a new multifamily housing development, with the Trust Fund dollars supporting the construction of housing for extremely low income households. Units for extremely low income households should comprise no more than a minority of the total units in a project. Trust Fund applicants that propose small projects in low-poverty neighborhoods, rural communities, or that serve special populations may be able to assure economic integration with Trust Fund dollars alone.
- **Compatibility with other housing programs.** The use of Trust Fund funds should be **flexible** to ensure its compatibility with all federal housing programs.
- **Applicability of and consistency with other federal provisions.** All Trust Fund dollars must be allocated and all housing funded with Trust Fund dollars must be built and operated in a manner that is **consistent with other federal provisions** including, but not limited to: tenant protections and tenant rights to participate in decision making about their homes; required public participation mechanisms such as the Consolidated Plan, the Qualified Allocation Plan and the Public Housing Agency Plan; Section 286 of the Cranston-Gonzalez National Affordable Housing Act (Davis-Bacon); and all fair housing laws and existing laws regarding accessibility in federally-assisted housing, including Section 504 of the 1973 Rehabilitation Act. All Trust Fund assistance shall be considered **federal financial assistance**. In addition, units not required to be accessible should meet basic visitability standards.
- **Other housing funds.** In addition to establishing a National Housing Trust Fund, we recommend additional investment in affordable housing with substantial increases in HOME, CDBG and USDA Rural Housing programs, as well as an examination of ways to reform the Low Income Housing Tax Credit program to improve access to the program by a wider range of non-profit, community-based housing developers. Substantial increases in the housing voucher program will also be necessary to assure affordability for the lowest income households. NHTF dollars **cannot be used to supplant existing federal, state, local, and private housing funds**.

For further information, please call the National Low Income Housing Coalition at (202) 662-1530.

February 2, 2005

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HOUSING AS ECONOMIC STIMULUS

In 1937, economist John Maynard Keynes wrote to President Franklin D. Roosevelt that housing is "by far the best aid to recovery . . . I should advise putting most of your eggs in this basket."¹ In 2003, housing was still aiding the economy: "Residential fixed investment alone accounted for about one-tenth of GDP growth, while commissions from home sales pumped an estimated \$80 billion into the economy. In fact, it was a record-setting year not just for residential fixed investment, but also for home sales, prices, rents, and mortgage originations."² Investment in housing has always been and continues to be wise economic policy.

Building and rehabilitating more affordable housing not only meets a demonstrated need, but it has economic benefits in both the long and short term. Housing creates jobs and wages, creates a greater demand for goods and services, increases tax revenues, and attracts funding sources to local and state jurisdictions. In addition, providing people with stable and decent housing will likely reduce the amount of public funding they would otherwise use.

Jobs and Wages. Using a U.S. Department of Commerce model of economic analysis, the Center for Community Change estimates that a \$5 billion investment in housing production for low income people could directly result in the creation of 184,300 jobs. When the potential leverage of these funds is taken into account at a ratio of 1:10, an investment of \$5 billion in affordable housing production would create 1.8 million new jobs and \$50 billion in wages.³ A study done for the Colorado Housing Trust Fund Coalition estimates that an annual investment of \$15.9 million in housing construction with a 1:10 leverage ratio would generate 2,804 jobs directly and indirectly.⁴ A recent economic impact study by the Delaware Housing Coalition analyzing the benefits of a proposed five-year plan for housing programs finds that each dollar of investment leverages seven additional dollars. A proposed \$60 million investment would result in 3,400 jobs and more than \$420 million in total economic output.⁵

The National Association of Home Builders (NAHB) reports that the impact of the construction of 1,000 single-family homes generates 2,448 full-time jobs in construction and construction-related industries and \$79.4 million in wages. The construction of 1,000 multifamily units generates 1,030 full-time jobs in construction and construction-related industries and \$33.5 million in wages.⁶ Using NAHB and U.S. Census data, the Millennial Housing Commission reports that 3.5 million jobs were generated by new residential construction in 2001.⁷

Demand for Goods and Services. The purchase of goods and services that accompanies the construction, furnishing, and decoration of affordable housing also has an economic effect. NAHB finds that in the first twelve months after buying new homes, owners spend an average of \$8,905 each on furnishing and improvements. Buyers of existing homes spend an average of \$3,766 more in the twelve months after purchase than do non-movers in the same period.⁸ The Colorado study determined that a one year investment of \$15.9 million would result in \$290 million in economic activity including direct wages to construction workers, purchase of building materials, insurance and other real estate services, retail purchases, and recirculation of direct wages into the economy for a broad range of goods and services.⁹

Funds Leveraged. As noted, when state and local jurisdictions invest in the production and rehabilitation of affordable housing, they attract additional resources that may not otherwise be available to the community. These leveraged resources can come from financial institutions,

equity from the developer, foundation funds, and many state and federal programs. State and local housing trust funds have proven to be an important and lucrative stimuli for leveraged housing funds with leverage ratios ranging from 1:1 to 1:25, with an average of 1:8.¹⁰

Tax Revenues. Residential construction and rehabilitation contribute to city, county, state, and federal tax revenues in a number of ways. The production of housing results in income taxes from increased wages through the jobs that construction creates, sales taxes from items purchased for construction as well as furnishing a house, and property taxes from the improvements made on a property and the revitalization of neighborhoods. NAHB estimates that the construction of 1,000 single-family homes generates \$42.5 million in combined federal, state, and local revenues and fees. The construction of 1,000 multifamily units generates \$17.8 million in combined federal, state, and local tax revenues and fees.¹¹ The Colorado study determined that a housing trust fund of \$15.9 million a year would generate construction and real estate tax revenue of \$22.4 million a year, half of which would go to the state and localities.¹² The economic impact study for the \$60 million Delaware five-year plan estimates it would result in \$43 million in annual tax returns.¹³

Supplemental Savings. Recent research shows that providing homeless people who have a severe mental illness with a stable living environment and social service supports saved a net of \$16,300 a year per housing unit in New York City, as individual's shelter use and hospitalization and incarceration rates declined.¹⁴

¹ Kennedy, D. M. (2001) *Freedom from fear: The American people in depression and war, 1929-1945*. Oxford History of the United States, Vol. 9.

² Joint Center for Housing Studies of Harvard University. (2004). *State of the nation's housing*. Cambridge, MA: Author. p. 7.

³ Center for Community Change. (2001). *Home sweet home: Why America needs a national housing trust fund*. Washington, DC: Author.

⁴ Economic & Planning Systems, Inc. (2002, September). *Colorado housing trust fund impacts study: Final report*. Prepared for Colorado Housing Trust Fund Coalition.

⁵ Latham, William (2004). *Investing to Meet Delaware's Affordable Housing Needs: An Economic Impact Analysis*. Dover, Delaware: Delaware Housing Coalition. p. 3.

⁶ National Association of Home Builders. (2004). *Housing Facts, Figures and Trends 2004*. Washington, DC; Author. p. 25.

⁷ Millennial Housing Commission. (2002). *Meeting our nation's housing challenges: Report of the bipartisan millennial housing commission appointed by the Congress of the United States*. Washington, DC: U.S. Government Printing Office.

⁸ National Association of Home Builders. (2004). *Housing Facts, Figures and Trends 2004*. Washington, DC; Author. p. 29.

⁹ Economic & Planning Systems, Inc. (2002, September). *Colorado housing trust fund impacts study: Final report*. Prepared for Colorado Housing Trust Fund Coalition

¹⁰ Center for Community Change. (2001). *Home sweet home: Why America needs a national housing trust fund*. Washington, DC: Author.

¹¹ National Association of Home Builders. (2004). *Housing Facts, Figures and Trends 2004*. Washington, DC; Author. p. 25.

¹² Economic & Planning Systems, Inc. (2002, September). *Colorado housing trust fund impacts study: Final report*. Prepared for Colorado Housing Trust Fund Coalition.

¹³ Latham, William (2004). *Investing to Meet Delaware's Affordable Housing Needs: An Economic Impact Analysis*. Dover, Delaware: Delaware Housing Coalition. p. 3.

¹⁴ Culhane, D. P., Metraux, S., & Hadley, T. (2002). *Public service reductions associated with placement of homeless persons with severe mental illness in supportive housing*. *Housing Policy Debate*, 13 (1).



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HOW TO GET BUSINESSES TO ENDORSE THE NATIONAL HOUSING TRUST FUND CAMPAIGN

TALKING POINTS FOR ADVOCATES

Businesses would benefit greatly from the increase in business and economic development that the National Housing Trust Fund would provide. In order to get businesses to endorse the NHTF Campaign, the following talking points have been prepared for your use:

How would businesses benefit?

- **Housing development would bring new business opportunities.** Some new regulations require that housing development with government money be part of an overall neighborhood planning process. This gives neighborhood businesses a chance to expand their businesses and improve the surrounding community.
- **Housing is an economic stimulus.** It brings money, jobs, and consumers into a neighborhood and contributes to overall neighborhood improvement.
- **Business owners could be involved in the planning process.** Unlike private developments, housing built with Trust Fund money would require a public participation process that business owners could get involved in and contribute to.
- **More housing means more workers.** Businesses look to locate in areas where there is a workforce available. Building trust fund housing would bring these businesses to the area and increase development and profits for local businesses. For every 1,000 homes built, there are approximately 2,448 jobs created with \$79.4 million in wages.
- **More housing means more consumers in the neighborhood.** This increases foot traffic to storefronts and would increase business for neighborhood retailers.
- **Increased federal funding means communities could do more** to improve and develop business centers such as downtowns and neighborhood commercial areas.

Why else should businesses endorse?

- Supporting the NHTF Campaign is a positive reflection on a business' role in its community. Businesses will receive press and public attention for devotion to decent, safe, and affordable housing.

EXAMPLES of RELEVANT ENDORSING ORGANIZATIONS:

Business & Professional People in the Public Interest
National Congress for Community and Economic Development
National Cooperative Bank (NCB) Community Development Corporation
National Neighborhood Coalition
National Credit Union Foundation
National Community Building Network

For more information, visit www.nhtf.org or call Matt Achhammer, NHTF Campaign Organizer, at 202-662-1530 x229.



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HOW TO GET BANKS TO ENDORSE THE NATIONAL HOUSING TRUST FUND CAMPAIGN

TALKING POINTS FOR ADVOCATES

Banks would benefit greatly from the increase in development capital that the National Housing Trust Fund would provide. In order to get banks to endorse the NHTF Campaign, the following talking points have been prepared for your use:

How would Banks benefit?

- **Trust Fund development would give banks significant new business opportunities.** Fully capitalized Trust Fund units would be mixed with other housing relying on mortgage financing. Trust Fund units would, in most cases, be part of **mixed income developments that depend on conventional financing as well.** The **influx of available financing for development** would start a process of community revitalization and would bring new clients into the area.
- **Housing is an economic stimulus.** It brings money, jobs, and consumers into a neighborhood and contributes to overall neighborhood improvement.
- **More housing means more workers.** Businesses look to locate in areas where there is a workforce available. Building trust fund housing would bring these businesses to the area and increase client prospects for local banks. For every 1,000 homes built, there are approximately 2,448 jobs created with \$79.4 million in wages.
- **More housing means more consumers in the neighborhood.** This increases foot traffic to storefronts and would **increase business in neighborhood banks.**
- **Financing dollars count three times.** The financing that banks, as a private lender, put into low-income housing would be **matched two to one by the Trust Fund.** That means **financing is worth more** to the community and could do more to create better neighborhoods.

Why else should banks endorse?

- Supporting the NHTF Campaign is a positive reflection on a bank's role in its community. Banks will receive press and public attention for devotion to decent, safe, and affordable housing.

EXAMPLES of RELEVANT ENDORSING ORGANIZATIONS:

National Cooperative Bank (NCB) Community Development Corporation
Congress for Community and Economic Development
National Neighborhood Coalition
National Credit Union Foundation
National Community Building Network

For more information, visit www.nhtf.org or call Matt Achhammer, NHTF Campaign Organizer, at 202-662-1530 x229.



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National Housing Trust Fund in your Community

Endorsers participate in the campaign by taking action, reaching out to other organizations to promote the campaign, and offering feedback and ideas. Endorsers meet the first Thursday of the month on a conference call. For more information, **contact Matt Achhammer at (202) 662-1530 x229 (matt@nlihc.org)**. To be involved, you must endorse the campaign.

For a .pdf file of the full endorser list, please click [here](#). (Adobe Acrobat Reader needed to view it.)

Congressional Delegation

Endorsers

The Congressional Delegation for Florida includes:

Michael Bilirakis
Allen Boyd
Corrine Brown
Ander Crenshaw
Jim Davis
Lincoln Diaz-Balart
Mark Foley
Alcee Hastings
Ric Keller
Kendrick Meek
John Mica
Katherine Harris
Jeff Miller
Adam Putnam
Ileana Ros-Lehtinen
E. Clay Shaw, Jr.
Cliff Stearns
Dave Weldon
Robert Wexler
C.W. Bill Young
Virginia Brown-Waite
Mario Diaz-Balart
Tom Feeney
Bill Nelson
Connie Mack
Debbie Wasserman Schultz
Mel Martinez

There are 148 Endorsers from Florida

3 Local Governments Supporting the NHTF Campaign

Florida

Broward County Board of Commissioners
City of Tampa
Manatee County School Board

1 Additional Prominent Religious Leaders Supporting the National Housing Trust Fund Campaign

James Lloyd Knox

United Methodist Church, Florida Conference

1 Editorials Supporting the National Housing Trust Fund Campaign

Palm Beach Post

143 State and Local Organizations Supporting the National Housing Trust Fund Campaign

1000 Friends of Florida

Adopt-A-Family of the Palm Beaches, Inc.

Alachua County Coalition for the Homeless and Hungry

All Faiths Food Bank

Alpha House of Tampa, Inc.

Another Chance Coalition and Trust, Inc.

Another Way, Inc.

Aravot Company, LLC

ARC of Monroe County

Ascension Catholic Church-Social Concerns

Beaches Habitat

Benedict Haven, Inc.

Big Bend Cares

Broward Coalition for the Homeless

Camillus Health Concern, Inc.

Cape Coral Housing Rehabilitation & Development Corporation

Capital Area Community Action Agency

Carrfour Supportive Housing Corporation

Catholic Charities Bureau

Catholic Charities, Diocese of St. Petersburg

Center for Affordable Housing, Inc.

Charlotte County Homeless Coalition

Circles of Care, Inc.

City Rescue Mission

Clara White Mission

Coalition for the Homeless of Central Florida, Inc.

Coalition for the Hungry and Homeless of Brevard County, Inc.

Community Coalition on Homelessness

Community Equity Investment, Inc.

Community Housing Partners, Inc.

Community Ties of Florida

Connections Job Development Corp

Consumer Credit Counseling Service

Cooperative Feeding Program

Corporation to Develop Communities of Tampa, Inc.

Crosswinds Youth Services

Cyprus Housing, Inc.

Education for the Homeless Project

Emergency Services & Homeless Coalition of St. Johns County, Inc.

Family Resource Program

Flagler Habitat for Humanity

Florida ACORN

Florida Association of Homes for the Aging
Florida Black AIDS Network
Florida Coalition for the Homeless
Florida Housing Coalition
Florida Housing Finance Corporation
Florida Keys Outreach Coalition, Inc.
Florida Legal Service, Inc.
Florida Network of Youth and Family Services
Florida Non-Profit Housing, Inc.
Florida Supportive Housing Coalition
Golden Rule Housing & Community Development Corporation
Grand Avenue Economic Community Development Corporation
Grants and Affordable Housing Advisory Committee
Gulf Coast Community Foundation of Venice
Habitat for Humanity of Clay County
Habitat for Humanity of Greater Ocala
Habitat for Humanity of St. Augustine / St. John's County
Habitat for Humanity Orlando
Harry Chapin Food Bank of Southwest Florida
HELP Ministry
Hillsborough County Domestic Violence Task Force
His Place Ministries
Hispanic Coalition Corporation
Homeless Assistance Center
Homeless Coalition of Hillsborough County
Homeless Coalition of Palm Beach County, Inc.
Homeless Coalition of Seawanne Valley
Homeless Services Network of Central Florida
Hope House of Murdock
Hope House of the Palm Beaches, Inc.
Housing & Community Development Corporation, Inc.
Housing Assistance, Inc.
Housing Corporation
Housing Partnership, Inc.
Hunger and Homeless Coalition of Citrus County
Interfaith Emergency Services, Inc.
Interfaith Hospitality Network of Orange and Seminole Counties
Jordan Ministries, Inc.
Keystone Challenge Fund
Lake Community Actions Agency, Inc.
Latino Leadership, Inc.
Lee County Housing Development Corporation
Liberty Center Housing Association
Lighthouse Outreach Center
Lutheran Social Services of North Florida
M.I.S.S., Inc.
M.R.S. Realtors
Making WAGES Work
Medical Mission Sisters

Mending Hearts Charities, Inc.
Miami Coalition for the Homeless
Miami-Dade Community Action Agency
Miami-Dade Neighborhood Housing Services, Inc.
Middle Keys Community Land Trust, Inc.
Mortgage and Credit Center
NAMI of Martin County
Naranja Princeton Community Development Corporation
Neighborhood Lending Partners, Inc.
New Freedom Club
NOAH Development Corporation
Office of Justice and Peace, Diocese of Augustine
Okaloosa Coalition for the Homeless, Inc.
Palm Beach County Roundtable
Pinellas Habitat for Humanity
Pinellas Opportunity Council, Inc.
Polk County Opportunity Council, Inc.
Positive Images of Broward County, Inc.
Pregnancy Crisis Careline, Inc.
Project HEART
R.E.A.C.H. Foundation
Resident Council Rebecca Towers South, Inc.
Salvation Army, Citrus County
Samuel's House, Inc.
Sarasota YMCA
Self Reliance, Inc. - Center for Independent Living
Shimberg Center for Affordable Housing - University of Florida
Society of St. Vincent de Paul, Indian Harbor
South Florida Community Development Coalition
Southernmost Homeless Assistance League, Inc.
Southwest Florida Addiction Services
Southwest Florida Coalition for the Homeless
Space Coast Habitat For Humanity, Inc.
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Tampa Bay Community Development Corporation
The N.O.A.H. Foundation, Inc.
The Salvation Army, Tampa Area Command
Treasure Coast Homeless Services Council
Treasure Coast Regional Planning Council
True Light, Inc.
United Auto Workers Local 2278
United Auto Workers Local 298
United Auto Workers Local 323
United Community Development, Inc.
United Ministries
United Way of Charlotte County
United Way of Sevannee Valley

Voices of Color
Volunteers of America, Florida
YMCA Children's Services



THE NATIONAL HOUSING TRUST FUND CAMPAIGN

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Baltimore Sun Editorial on GSE and Anti-democracy Provisions

opinion

The politics of housing

[Link to online version of editorial](#)

Originally published November 14, 2005

The Enterprise Foundation, a nonprofit organization based in Columbia that financed the building of 180,000 affordable homes around the country - including 10,000 in Baltimore - has long supported efforts by community-based groups to register thousands of low-income voters. Though both activities would ordinarily be considered laudable, in the extraordinarily partisan environment in Congress, the foundation's support for voter registration activities is being used to keep it and thousands of community-based housing groups from tapping into a new federal fund designed to create more affordable housing.

House Republicans recently voted to bar nonprofit groups from applying for grants from the housing fund if they have held or participated in voter registration activities, or affiliated with groups that have, in the last year.

This move leaves little doubt that the lawmakers are more interested in blocking voter registration drives and get-out-the-vote activities than in providing needed affordable housing to the poor, disabled and elderly Americans - who tend to vote for Democrats - targeted by these voter drives.

The housing fund is part of new legislation strengthening regulatory oversight of mortgage giants Fannie Mae and Freddie Mac. It would pay for production or preservation of 4,000 affordable-housing units a year using 5 percent of the mortgage companies' after-tax profits. The legislation would create the Federal Housing Finance Agency to oversee the mortgage companies.

The prohibition was added to the legislation as a last-minute amendment. It would also exclude groups that use their own money, or privately raised funds, on nonpartisan voter registration drives. Interestingly, it would permit for-profit groups that conduct similar voter drives to apply for the grants.

Lawmakers who pushed for the prohibition say it will keep politics out of the process, a disingenuous position given their political motives. Current law permits nonprofit groups to engage in get-out-the-vote activities provided they are nonpartisan. The Internal Revenue Service can revoke the tax-exempt status of those that violate the rule, impose fines on them and even shut them down.

The prohibition will undermine the goal of providing affordable housing to poor Americans, a result Bart Harvey, chief executive of the Enterprise Foundation, rightly calls "a tragedy" and "a disgrace." Some 14 million U.S. families live in substandard housing or struggle daily to keep a roof over their heads. Hundreds of nonprofits, including civil rights and faith-based groups, oppose the amendment.

Senators considering the legislation should reject the politicization of such an important measure and refuse to reconcile their version of the bill with the House version until the prohibitive amendment is removed.

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Housing Trust Funds

publications

advocating for change

equitable development toolkit

community health bibliography

WHAT IS IT?

WHY USE IT?

HOW TO USE IT

FINANCING

KEYS TO SUCCESS

CHALLENGES

POLICY

TOOL IN ACTION

RESOURCES

Revenue Sources

Revenue sources vary depending on whether the trust fund is established by a city, county, or state government. Securing these dollars is the most political and difficult part of establishing a housing trust fund.

Public Dollars

Sources include:

- **Real estate taxes or fees** (e.g., real estate transfer tax, document recording fee, excise tax);
- **Developer fees** (e.g., fees on new commercial development that contribute to housing funds, inclusionary zoning in-lieu fees, impact fees);
- **Other taxes** (e.g., property taxes, sales taxes, hotel/motel taxes);
- **Other fees** (e.g., application fees for municipal programs, permit fees, demolition and conversion fees);
- **Tax increment funds** from redevelopment districts;
- **Repayments** on various loan programs and other kinds of program income; and
- **Interest** from government-held and market-based accounts (e.g., rainy day funds, escheat funds, real estate escrow accounts or tenant security deposits).

Most revenue dedicated to housing trust funds is new income to a jurisdiction, based on increased taxes and fees and does not take dollars away from other programs. As with any tax or fee, the amount of revenue coming into a fund fluctuates from year to year. The funds generated by trust funds cannot be diverted to other uses. And all interest and earnings must remain in the trust fund, as well as any unused dollars at the year's end.

It is not always possible to win an increase in a tax or fee, particularly in states that have enacted "anti-tax" legislation. In these instances, it may be possible to divert a portion of existing revenues from the general fund to the trust fund.

Housing trust funds can also receive appropriations and/or special allocations of funds to augment existing dollars. This might include surplus budget funds, excess TANF funds, and funds available from the sale of public property, among others.

Non-Public Dollars and "Hybrid" Funds

A special note should be made regarding non-public funding sources. By definition, housing trust funds are not comprised of corporate contributions,

PolicyLink - Housing Trust Funds -- Financing

foundation grants, or bank commitments. These funds are more typical of housing partnerships—a different and useful tool.

A few housing trust funds are exploring combinations of public funds with private contributions. It may prove useful for such combined funds to define a special role for private contributions, such as land acquisition and predevelopment activities.

next page ... (Keys to Success)



Housing Trust Funds

publications

advocating for change

equitable development toolkit

community health bibliography

WHAT IS IT?

Who Needs to Be Involved

WHY USE IT?

HOW TO USE IT

FINANCING

KEYS TO SUCCESS

CHALLENGES

POLICY

TOOL IN ACTION

RESOURCES

Creating a housing trust fund is a political process that requires persuading elected officials to make tough choices. Trust funds require tax and/or fee increases (usually considered to be politically unpopular). Furthermore, dedicating these funds to affordable housing gives elected officials less budget flexibility.

Occasionally the creation of a HTF occurs at the direction of elected officials through the appointment of a task force, with staff or consultants undertaking the research. A government agency or department also may initiate this task.

Usually, however, housing trust funds are created when the public demands that government address critical housing needs. Often, organizations representing the interests of those in need create the momentum by mounting public campaigns. Campaigns can be vastly different depending on a number of circumstances, one of the most important being whether dedication of the revenue sources requires a public vote or approval by elected officials alone. This requirement varies from state to state based on constitutional limitations.

In most instances, success depends on housing advocates building coalitions among community leaders, banks, developers, environmentalists, faith-based groups, service providers, unions and philanthropists.

While coalitions are important for a successful HTF campaign, a core working group typically assumes day to day responsibility for organizing and conducting the campaign, bringing other key players to endorse the proposal, raising needed funding or other resources, and organizing community support.

Elements for Success

Identify Players Needed for a Successful Campaign. While a HTF campaign may not need a lot of people it does require a dedicated group of housing advocates willing to make a long-term commitment to the campaign. HTF campaigns can take one to two years of hard work.

Outline a Clear and Concise Proposal. While it is relatively easy to outline administrative structure and program parameters of a proposed HTF, potential revenue sources may need intensive research and consideration. Information can be gathered from other housing trust funds, with the recognition that each jurisdiction is unique and potential revenue sources vary. The proposal should identify a specific revenue amount to dedicate annually to the HTF, regardless of the source. Justify the goal by either the housing needs that exist, the capacity to utilize housing funds, or some other defensible criteria.

Understand the Legal steps to Move Proposal Into Law. It is critical to understand the process for getting a new program into law. First, determine how an ordinance or bill is introduced and about all filing deadlines. Second, give

an ordinance or bill is introduced and chart all rising deadlines. Second, give careful thought to who might be the best sponsor of your proposal. This needs to be someone both supportive of your position and who has enough political clout to carry it through to a successful vote. Take the time needed to identify the best champion for your proposal.

Build an Active Campaign Cadre. Brainstorm with community leaders who endorse your proposal. Secure broad-based support: financial contributors, endorsers, coalition partners, and other ways to support the campaign. The campaign must reflect the community's capacity, as well as what will work within the local political climate. Unions, schools, faith-based institutions, banks, health care organizations, corporations, developers and many others can add force to a housing trust fund campaign.

Analyze the role the mayor, governor, county manager, and other public officials will play in such an important legislation. Engage them strategically in the campaign. Their endorsement will be key to a successful campaign.

Develop Compelling Campaign Materials. Create a campaign theme to unite people around the proposed housing trust fund. Identify the housing needs in the community, and focus on successful developments that provide good homes for families. A good question and answer document can help people understand the complexity of revenue sources and other details.

Document the Economic Benefits that result from housing production, such as:

- Other public and private dollars that are leveraged through the housing trust fund (e.g., on average every \$1 contributed by the housing trust fund leverages \$5-10 from other sources);
- Increased jobs from housing activity (both direct and indirect);
- Tax benefits that accrue to the community, through sales taxes, income taxes, and property taxes; and
- Other benefits such as undocumented social advantages, including improved health and school performance for children; more stable households; reduced crime; and increased self-sufficiency.

Work With the Media. The media play a critical role in all political campaigns, including one focused on housing trust funds. Develop good relationships with the media, including radio, television, newspapers, and web-based publications. Develop materials they can work with. Prepare spokespeople for public events and interviews. Identify compelling success stories. Utilize photos and other materials to clearly illustrate your key arguments. Meet with editorial boards, stage press events, write letters to the editors, and work with reporters to help them understand the issues and cover stories that promote affordable housing.

next page... (Challenges)



Housing Trust Funds

publications

advocating for change

equitable development toolkit

community health bibliography

WHAT IS IT?

WHY USE IT?

HOW TO USE IT

FINANCING

KEYS TO SUCCESS

CHALLENGES

POLICY

TOOL IN ACTION

RESOURCES

Virtually every housing trust fund campaign faces some opposition. To prepare for those who will oppose the fund, rely on the strengths of a well-researched proposal and well-built community alliances. A positive campaign will keep the focus on the benefits of a balanced housing supply to the community.

Some of the most common arguments used to oppose housing trust funds include:

Opposition to the Revenue Source. The most common source of opposition is related to the proposed revenue source. For instance, if a hotel/motel tax is proposed as the source, the tourism industry will most likely be in opposition. Rarely is this form of opposition turned around. The most effective strategy is to promote your proposal as one that solves a problem that affects the entire community.

Opposition to Tax Increases. Another common source of opposition are elected officials for whom affordable housing is not a priority and/or who are unconditionally opposed to increasing any tax or fee. As with any political vote, there are those who will support your proposal and others who will not regardless of your campaign. Focus on those who can be persuaded.

Opposition to Providing Needed Housing. Other forms of opposition may focus on details of your proposal. There may be those who want to increase the eligibility requirements to middle income households or others who want to focus on homeownership. Be clear on what compromises you are willing to accept and those you will not.

[next page... \(Policy\)](#)



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Dislodge obstacles to affordable housing . . .

from the Atlanta Journal Constitution

Published on: 10/27/05

Our nation's disadvantaged citizens should not be forced to choose between an affordable place to live and the unfettered ability to participate in the democratic process. But a noxious provision quietly tucked into a more far-reaching bill approved yesterday by the U.S. House of Representatives would have that sinister effect.

Ostensibly, H.R. 1461 would create a fund of up to \$600 million a year for new affordable housing. The money would be drawn from the after-tax profits of Freddie Mac and Fannie Mae, quasi-governmental mortgage companies that would be subject to stricter oversight under the bill.

Initially the affordable housing fund would be used to help rebuild homes along the Gulf Coast that were wiped out by Hurricanes Katrina and Rita. In later years it could also be tapped by reputable and experienced nonprofit housing groups in other parts of the country.

But the Republican Study Committee, representing the Taliban wing of the GOP, has attached a poison pill to the measure. It would bar all nonprofit housing groups from applying for federal affordable housing grants if they had participated in any voter registration efforts within the last year, even if they used their own money to do so.

An RSC staff member claimed the provision merely seeks to prevent nonprofit housing providers from also engaging in lobbying or electioneering, but existing laws already forbid such activities.

The partisan intent of this provision couldn't be more obvious — or odious. It would suppress voter registration, and get-out-the-vote efforts directed at the poor and minority groups that have historically supported Democrats. More disturbingly, the prohibition wouldn't apply to for-profit groups engaged in the same type of voter registration programs as their nonprofit peers.

"I would call it the Non-Voting Rights Act of 2005," said the Rev. Willie Gable of the National Baptist Convention, one of nearly 700 nonprofit groups that have voiced their opposition to the provision.

The House vote is particularly shameful because the establishment of an affordable housing fund to help low-income Americans is a laudable goal, and one that is long overdue.

In 2003, the Joint Center for Housing Studies at Harvard University found a supply gap of about 2 million affordable housing units nationwide. That includes almost 400,000 Georgians who are living in what is considered "severely unaffordable" housing that consumes more than 50 percent of their income.

That's why this cynical attempt to deny worthy nonprofit groups their freedom of speech and to restrict the free flow of information to those often at the margins of our society is disgraceful. Moreover, it's unbecoming for a mature democracy that purports to serve as an example for the rest of the world.

To see the original article, click the following link : (Note: You must subscribe to view)
<http://www.ajc.com/opinion/content/opinion/1005/27edhousing.html>

[Return to Screen-friendly page](#)

[E-mail to a Friend](#)



Housing Trust Funds

publications

advocating for change

equitable development toolkit

community health bibliography

WHAT IS IT?

WHY USE IT?

HOW TO USE IT

FINANCING

KEYS TO SUCCESS

CHALLENGES

POLICY

TOOL IN ACTION

RESOURCES

National Housing Trust Fund Legislation

The National Low Income Housing Coalition, in partnership with over 500 housing advocacy groups across the country, is spearheading a campaign to create a National Affordable Housing Trust Fund. The initial goal of the National Affordable Housing Trust Fund is to produce, rehabilitate and preserve 1,500,000 units of affordable housing that serves the needs of low-income communities by 2010. The proposed source of revenue would be excess funds from the Fair Housing Administration (FHA) and Ginnie Mae. Some key elements of the Campaign's policy proposal include:

- **Income targeting.** Commit at least 75% of the trust fund dollars for housing that is affordable for extremely low-income households (those with incomes under 30% of the area median).
- **Distribution.** Ensure that every type of community has access to fund and encourage regional collaboration.
- **Mixed Income.** Assure that extremely low-income households are not segregated from other income groups by utilizing trust fund dollars in conjunction with other funds to support new multifamily, mixed income housing developments.
- **Compatibility with other housing programs.** Ensure compatibility with other public housing dollars (Low Income Housing Tax Credits, private activity bonds, CDBG, HOME, Section 8, public housing, United States Department of Agriculture rural housing programs) and other forms of assistance.

Drawing from the model policy proposal that the National Housing Trust Campaign has developed, legislation was introduced in June 2001 by Congressman Bernie Sanders (I-VT) to create a National Affordable Housing Trust Fund. Co-sponsors of the bill include: Congresswoman Barbara Lee (D-CA), Congresswoman Karen McCarthy (D-MO), Congresswoman Lynn Rivers (D-MI), Congresswoman Stephanie Tubbs-Jones (D-OH), and Congressman Danny K. Davis (D-IL). The [Sanders'] National Affordable Housing Trust Fund would be capitalized by using some of the surplus from the Federal Housing Administration (FHA). FHA is expected to accumulate a \$26 billion surplus over the next 10 years. Trust fund dollars would be funneled to states and to the non-profit housing community to support the construction of affordable housing. The Campaign anticipates that additional bills to support a national housing trust fund will be introduced by other legislators.

For more information on how to get involved visit the National Affordable Housing Trust Fund Campaign website.

State Level Legislation

Some states have adopted legislation that expands funding sources to support affordable housing.

One example is Pennsylvania's Act 127 that enables counties to double document

PolicyLink - Housing Trust Funds -- Policy

One example is Pennsylvania's Act 137 that enables counties to double document recording fees, if these funds are allocated to local affordable housing funds. Counties have the discretion to do this, and counties control the use of these funds, as long as they are in accordance with the broad parameters contained in the enabling legislation.

Units Assisted by Pennsylvania Act 137 Funds

By allowing counties to double document recording fees, Pennsylvania dedicated revenue sources to:

- 221 new owner occupied units constructed
- 1,535 owner-occupied units rehabilitated
- 1,315 rental units developed or rehabilitated, including 582 units for the elderly
- 2084 homebuyers provided with closing cost and/or down payment assistance.
- 84 disabled individuals (mostly MH/MR) provided with group-home housing

Source: Pennsylvania Low Income Housing Coalition

This is a very replicable model, creating a new revenue source for counties to support affordable housing. The Pennsylvania example illustrates that states can play an active role in addressing the affordable housing challenge, while allowing for local jurisdictions to address their unique priorities.

Other Strategic Opportunities

Create Private Sector Incentives

At present, the vast majority of housing trust funds are established through public sector revenue sources. The private sector can be encouraged to contribute to affordable housing trust funds through the use of tax incentives.

Promote Public, Private, and Nonprofit Sector Collaboration

Some promising models are emerging for cross-sector collaboration in the establishment of affordable housing trust funds. In California's Santa Clara County - the heart of Silicon Valley - a collaborative of public, private, and nonprofit sector organizations are creating an affordable housing trust fund. A consortium of business leaders, elected officials, and housing advocates has raised \$19.1 million of \$20 million goal in 22 months. One-third of these funds come from the County and several area cities that have devoted redevelopment dollars. Over half of the funds have been contributed by area employers in sums ranging from \$50 to \$1 million—an acknowledgment that the housing crisis is having a serious impact on their workers. Additional funding (currently over \$2 million) comes from private foundations and individual donors. Programs targeted to receive Housing Trust Fund dollars include homeless housing, affordable rental housing, and first-time homebuyers assistance.

[Next Page ... \(Tool in Action\)](#)



**NATIONAL LOW INCOME
HOUSING COALITION**

*Dedicated solely to ending America's
affordable housing crisis*

Creating an Affordable Housing Fund within GSE Legislation

August 18, 2005

We call upon Senators and Representatives to:

- Support the creation of an Affordable Housing Fund within the government sponsored enterprise (GSE) legislation.
- Make sure that these new resources are targeted to those most in need of housing assistance, extremely low income families. More than half of all extremely low income renters (households with incomes below 30% of area median) pay more than half of their incomes toward rent.
- Work toward a compromise on the overall GSE legislation in order to make an Affordable Housing Fund a reality.

Status:

The House Financial Services Committee included an Affordable Housing Fund (AHF) in its GSE legislation, H.R. 1461, on May 25 when it reported the bill from Committee on a 65-5 vote. An amendment to strike the AHF from the bill was rejected 53-17 during Committee consideration. To appease concerns voiced by a few House members, Financial Services Chair Michael Oxley (R-OH) has since circulated additional controls on the AHF. The bill has now been referred to the House Judiciary Committee, which has until September 16 to take action. The next step for the bill is the House floor.

The Senate Banking, Housing and Urban Affairs Committee did not include an AHF in its bill, S. 190, which was voted out of Committee on a party-line vote (11-9) on July 28. An AHF, offered by Senator Jack Reed (D-RI), was included in Senator Paul Sarbanes' (D-MD) substitute amendment, but this amendment failed along party lines. While including an AHF in the Senate's GSE legislation seems to have broad support, other GSE issues, such as portfolio size and scope, will have to be resolved before an AHF is included in S. 190. Committee members and staff are working on such compromises, which appear to be the only way S. 190 will get to the Senate floor, the necessary next step.

Side-by-side comparison of AHF versions:

<i>Issue</i>	<i>AHF in H.R. 1461</i>	<i>Senator Reed's amendment for an AHF</i>
Source of funds	Fannie Mae and Freddie Mac would dedicate 5% of after-tax profits to its affordable housing fund.	Fannie Mae and Freddie Mac would dedicate 4.2 basis points for each dollar of unpaid principal balance of total new business purchases to its affordable housing fund.
Eligible uses of funds	<ul style="list-style-type: none"> • The production, preservation and rehabilitation of rental housing for extremely low and very low income households. • The production, preservation and rehabilitation of housing for homeownership, including down payment assistance, closing cost assistance, and assistance for interest rate buy-downs. Homeownership assistance is only for extremely low and very low income families who are also first-time 	<ul style="list-style-type: none"> • The production, preservation and rehabilitation of rental housing for extremely low income households. • The production, preservation and rehabilitation of housing for homeownership, including down payment assistance, closing cost assistance, and assistance for interest rate buy-downs. Homeownership assistance is only for extremely low and very low income families who are also first-time

	<p>homebuyers. Not less than 10% of funds shall be used for homeownership and for leveraged grants.</p> <ul style="list-style-type: none"> Leveraged grants for the development, preservation, rehabilitation or purchase of affordable housing that meets underserved needs for affordable housing and for community and economic development activities in economically underserved areas. Not more than 12.5% of funds shall be used for leveraged grants. 	<p>homebuyers. Not more than 10% of funds shall be used for homeownership.</p> <ul style="list-style-type: none"> Leveraged grants for the development, preservation, rehabilitation or purchase of affordable housing that meets underserved needs for affordable housing. Not more than 12.5% of funds shall be used for leveraged grants. Not more than 25% of funds would go to the Resolution Funding Corporation. Paying this amount to "REFCorps" balances out the cost of an Affordable Housing Fund and allows the Fund to be cost-neutral in the eyes of the Congressional Budget Office.
Selection Criteria	<p>Selection of applications to the funds would be based on specific criteria. In the case of the rental housing, priority is given to applications that demonstrate the extent to which rents are affordable, especially for extremely low income families, and the duration for which these rents will remain affordable.</p> <p>In general, applications for any eligible use will be selected based on the following prioritization of funding: greatest impact, geographic diversity and ability to obligate amounts and undertake activities in a timely manner.</p>	<p>Selection of applications to the funds would be based on specific criteria. In general, applications for any eligible use will be selected based on the following prioritization of funding: greatest impact, geographic diversity, ability to obligate amounts and undertake activities in a timely manner and, in the case of rental housing, the duration for which rents will remain affordable.</p>
Affordable Housing Board	<p>The Director will appoint a board of 7, 9 or 11 persons (the Director or the Director's designee, the Secretaries of HUD and USDA or their designees, two persons from the for-profit or business world involved in providing or promoting extremely low and very low income affordable housing and two persons from nonprofit organizations involved in providing or promoting extremely low and very low income affordable housing).</p> <p>The Board will meet not less than quarterly to determine extremely low and very low income housing needs, to advise the Director on the establishment of selection criteria, the operation of the funds to meet housing needs and to review reports submitted by the GSEs on the consistency between their use of funds and actual needs.</p>	<p>The Director will appoint a board of 7, 9 or 11 persons (the Director or the Director's designee, the Secretaries of HUD and USDA or their designees, one person from the for-profit or business world involved in providing or promoting extremely low and very low income affordable housing, one person from a state housing agency and two persons from nonprofit organizations involved in providing or promoting extremely low and very low income affordable housing).</p> <p>The Board will meet not less than quarterly to determine extremely low and very low income housing needs, to advise the Director on the establishment of selection criteria, the operation of the funds to meet housing needs and to review reports submitted by the GSEs on the consistency between their use of funds and actual needs.</p>
Consistency of Funds with Meeting Housing Needs	<p>The Director of the Federal Housing Finance Agency will require each GSE to submit a periodic report describing activities funded each quarter. These reports will be publicly available. The Affordable Housing Board will review each report to determine consistency of activities funded with selection criteria. If the Board identifies funds used in ways inconsistent with selection criteria, the Board must notify the Director who must, in turn, require the GSE to allocate to its fund an amount equal to the sum of the amounts from the affordable housing fund used and further committed to use for such inconsistent activities.</p>	<p>The Director of the Federal Housing Finance Agency will require each GSE to submit a periodic report describing activities funded each quarter. These reports will be publicly available. The Affordable Housing Board will review each report to determine consistency of activities funded with selection criteria. If the Board identifies funds used in ways inconsistent with selection criteria, the Board must recommend that the Director veto the funding of such projects.</p>



Housing Trust Funds

publications

advocating for change

equitable development toolkit

community health bibliography

WHAT IS IT?

WHY USE IT?

HOW TO USE IT

FINANCING

KEYS TO SUCCESS

CHALLENGES

POLICY

TOOL IN ACTION

RESOURCES

A Regional Coalition for Housing (ARCH) – King County, WA
Community Housing Assistance Program (CHAP) – Boulder, CO
The William E. Sadowski Act – State of Florida

A Regional Coalition for Housing (ARCH)

King County, Washington

Background

In existence for eight years, A Regional Coalition for Housing (ARCH) regional housing trust fund has committed more than \$13 million to the creation and maintenance of affordable housing in King County, Washington. 1,600 units of affordable housing have improved the lives of low- to moderate-income families, seniors, homeless and people with special needs. The ARCH fund is an innovative example of regional, cross-jurisdiction cooperation in addressing a community's affordable housing needs.

The Context: Economic Boom Creates An Acute Housing Crisis

A Solution: A Regional Housing Trust Fund

Keys to Success

Challenges

The Context: Economic Boom Creates An Acute Housing Crisis

King County, Washington —with Seattle as its epicenter—is one of the most economically dynamic regions in the United States. The county is home to more than 26,000 companies, including multinationals such as Microsoft, Nintendo, and AT&T Wireless Services. The presence of these technology giants has fueled an economic boom in recent years, with the Port of Seattle creating a strong import base for the region.

A key driver of the growing affluence in King County is the city of Redmond. Once rustic and quiet, Redmond now houses Microsoft's worldwide headquarters — bringing international recognition and large corporate campuses to the city. Microsoft alone occupies more than 200 acres of southwest Redmond. Eastern Redmond has become a magnet for other software companies. Job creation in Redmond has been so rapid, that finding workers to fill available jobs—and housing for new workers—is increasingly difficult. As of 1996, Redmond had 50,000 jobs and 40,000 residents.

As a result of the economic boom in East King County, many jurisdictions have experienced skyrocketing housing prices and massive condominium construction. Even though a Growth Management Act establishing housing supply targets for each jurisdiction has been in place since the early 1990s, the region has failed to meet the growing demand for housing.

Unfortunately, the economic growth in King County resulted in a significant wealth and opportunity gap. The eastern part of King County is the most

PolicyLink - Housing Trust Funds -- Tool in Action

wealth and opportunity gap. The eastern part of King County is the most affluent: as of 1996 the median household income was \$45,100, higher than the county median (\$36,200) and the state median (\$31,183). In 1999, software workers averaged \$291,000 in annual salary, while the average salary for non-software workers was \$36,700.

Such income disparities coupled with escalating housing prices has made it increasingly difficult for lower income households to remain in King County. The 1999 Annual Growth report indicates that there are more than 52,000 low-income residents in King County. Approximately 30,000 families rely on rent subsidies.

A Solution: A Regional Housing Trust Fund

Origins and Mission

Spearheaded by A Regional Coalition of Housing (ARCH), King County now has a regional housing trust fund. ARCH was created through the initiative of King County and the cities of Bellevue, Kirkland, Redmond. These jurisdictions recognized that the affordable housing crisis required collective regional action.

ARCH's goal is to increase the supply of housing for low- and moderate-income families in King County. Strategies include:

1. **Coordination and Leveraging.** Coordinating public resources in a more targeted manner, and attracting greater private and non-profit investment to affordable housing development.
2. **Information Sharing.** Pooling technical resources and information across jurisdictions to improve and increase the development and implementation of housing policies and programs
3. **Technical Assistance.** Providing technical assistance to local organizations interested in affordable housing provision.
4. **Community Participation and Leadership.** Promoting community involvement, information gathering and sharing, and strengthened leadership to address the county's housing needs.

At present, participating jurisdictions also include Issaquah, Mercer Island, Woodinville, and Bothell. Six other cities may participate in the future: Newcastle, Medina, Clyde Hill, Yarrow Point, Hunts Point, and Beaux Arts Village.

ARCH's Organizational Structure

- **Council.** Approves ARCH's annual work program and budget, and takes final action on the use of local resources.
 - **Executive Board.** Oversees the operation of ARCH. Composed of Chief Executives participating jurisdictions.
 - **Citizen Advisory Board.** Provides recommendations on the use of local government resources, and maintains a high level of understanding of affordable housing issues in the community. Composed of citizens from diverse backgrounds.
 - **Staff.** Responsible for implementing ARCH's program and for staffing the Board. Consists of a combination of staff hired by ARCH, and staff loaned by Bellevue and King County.
-

Revenue Source

Each participating jurisdiction contributes funds to ARCH housing trust fund. In 1998, ARCH created a Parity Program to guide the level of contributions made by

PolicyLink - Housing Trust Funds -- Tool in Action

participating jurisdictions. The Parity Program establishes guidelines to ensure that all members of the coalition receive an equitable distribution of housing trust fund resources. ARCH considers this parity agreement a critical component to the on-going success of the regional housing trust fund.

Guiding Principles of ARCH's Parity Program:

- Goals for each jurisdiction are stated as a range rather than as a single formula.
- Formulas are used to establish the range for each city. Each jurisdiction's range results from the calculation of a low and high contribution using three formulae: current population, projected housing growth, and projected job growth.
- A minimum baseline of \$1 million annually was established based on past levels of overall contribution.
- Jurisdictions were challenged to do more, as much as \$2 million annually, acknowledging the level of need throughout the region.
- No mandates are made for any given year, recognizing that jurisdictions' budget situations vary year to year.
- Accomplishments are measured over a five-year period, so that years with low levels of commitment can be offset by years with higher commitments.

Cities are encouraged to accomplish their goals in a variety of ways, including direct and indirect monetary assistance (such as fee waivers); and in-kind contributions, such as donated land.

For the participating jurisdictions, the "low contribution" range is from \$32,000 to \$396,000 and the "high contribution" from \$75,000 to \$605,000. Since the Parity Program was approved, most jurisdictions have met their annualized average commitment. Since King County has its own housing trust fund, it only contributes toward the administrative costs of ARCH.

Actual revenue sources for contributions include: general funds, Community Development Block Grant funds, payments by developers, loan repayments, interest earnings, fee waivers, infrastructure improvements, and contributions of land.

Housing Trust Fund Structure

Application and Selection Process

Each year ARCH issues two requests for proposals (RFPs). These RFPs identify the participating jurisdictions, outline the total amount of funds available and the individual funds committed by each participating jurisdiction.

Applications are screened by ARCH staff. ARCH staff then develops recommendations to respective City Councils as to which projects should be selected for funding. Funds coming from an individual jurisdiction are not restricted to being spent within that jurisdiction. ARCH's recommendations are made by its Citizen Advisory Board and approved by its Executive Board. City Councils confirm the recommendations. Cities then enter into contracts with the selected applicants. ARCH may assist in structuring these contracts and may provide administrative oversight. All funded projects must submit quarterly status reports.

Thinking Regionally

Funds that come from a jurisdiction are not restricted to being used within that jurisdiction.

ARCH's housing trust fund dollars are distributed regionally and based on priority needs in the county.

Eligible Applicants and Activities

Eligible applicants for the ARCH housing trust fund include: nonprofit organizations, private for-profit organizations, public housing authorities and public development authorities. ARCH staff provides technical assistance to eligible applicants on an "as-needed" basis.

In general, the housing trust fund assists households earning 50 percent or less

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In general, the housing trust fund assists households earning 50 percent or less of median income. In special circumstances, this is increased to 80 percent of median income. Other priorities include duration of affordability and targeted housing needs.

Housing trust fund dollars support: acquisition, predevelopment costs, new construction, rehabilitation, site development costs, off-site development costs (when necessary to assure utility service to the project), direct tenant assistance programs, and mixed-income projects (although trust fund dollars support only the low and moderate income units). Funds may be used as "matching dollars" to qualify for other county, state or federal funds. Funding is awarded as either loans or grants.

Keys to Success

To date, \$13.234 million has been committed to create affordable housing through the ARCH fund and nearly 1,663 units have been built or preserved throughout the region. Of these, half are family housing, 36 percent are senior housing, 6 percent are homeless/transitional housing, and 8 percent support people with special needs. The ARCH fund succeeds by:

Thinking and Acting Regionally

ARCH creates an institutional structure for regional collaboration. Without a regional coalition for housing, jurisdictions would address the need for affordable housing within their borders. Yet, the affordable housing crisis in King County is caused by regional forces. Thinking and acting regionally allows jurisdictions to be more thoughtful in addressing housing needs and more effective in utilizing resources.

Engaging Key Players

ARCH has been highly successful in engaging diverse stakeholders to shape the direction of their regional housing trust fund. Art Sullivan, the Executive Director of the ARCH Housing Trust Fund explains their approach. "The most important players are the community members who now sit on the advisory board, because they decide where the money goes," he said. "The next most important players are the business communities and local business chambers because they have a unique opportunity to share resources. Third, we build relationships with our grantees and support their housing projects beyond the funding allocation. The success of our housing trust fund lies in the participation of all these players."

Participation Builds Success

"The Success of our housing trust fund lies in the participation of all...these players."

Art Sullivan
Executive Director,
ARCH

Building Partnerships Between Nonprofit and For-Profit Developers.

Partnerships between private and nonprofit developers can be advantageous in the affordable housing development. Private developers may have more technical experience and may have access to key market sectors, while nonprofit organizations bring a deep knowledge of the needs of low-income residents to the partnership.

Len Brannan is a private developer who now works with ARCH on a regular basis. His organization, Shelter Resources, acts as a financial guarantor in a joint venture development with nonprofit developers. ARCH provides Shelter

Resources with below-market-interest rate loans of \$100,000 to \$500,000 for its housing projects. "Otherwise," says Brannan, "it wouldn't be possible from a risk standpoint for us to take on projects of this size."

Ashwood Court is such a project and highlights the benefits of partnerships with a private developer. Completed two years ago, Ashwood Court provides quality affordable senior apartments amidst a particularly inflated real estate market in downtown Bellevue, Washington. The land alone for this project cost approximately \$850,000. ARCH secured the funding for this purchase from the City of Bellevue. Brannan is now financing rehabilitation of an assisted and congregate care senior project. ARCH secured tax-exempt bonds and a commitment of \$1.3 million from the City of Bellevue.

Community Participation

ARCH is committed to community participation in the dissemination of housing trust fund dollars as well as ensuring that the fund stays accountable to community needs. The Citizen Advisory Board reviews proposals to make recommendations for potential projects.

The Board also spearheads educational campaigns to empower residents with knowledge of homeownership models. One campaign focused on distributing material on exercising the right to build accessory dwelling units in single-family homes. This campaign was designed to address the misconception held by many residents that the construction of such units is restricted to affordable housing projects according to state housing regulations. The Board wrote articles on the subject and conducted community outreach with information packets on homeownership.

Responsiveness and Flexibility

A key factor in the success of the ARCH housing trust fund is its responsiveness to the needs of groups committed to building affordable housing. Given the competitive real estate market in King County, prospective buyers have very little time to secure funds once they have found a property that meets their needs. While accessing dollars from local governments is often a lengthy process, ARCH is able to quickly purchase property for groups that will develop affordable housing on the site. When necessary, an architect is hired to produce a master plan and capture the spatial details of a potential site.

Challenges

The Enormity of the Task

While ARCH has been successful, the regional coalition cannot meet King County's need for affordable housing at its current funding level. The economic boom and unparalleled growth of the technology corridor in King County is driving up housing prices and bringing in new workers at a rapid clip. Planners project the addition of 325,000 residents to King County by 2020.

Balancing Regional Cooperation and Competition

The nature of a regional coalition requires that competing jurisdictions cooperatively decide how to distribute resources in order to promote equity for the entire region. While jurisdictions seek to increase affordable homeownership and rental opportunities in their areas, participating members in ARCH must do continual advocacy for their

Real Impact

To date, 513,234

community while maintaining a commitment to a regional equity agenda.

Art Sullivan, ARCH's Executive Director is optimistic. "The challenge is the good news. Many cities are initially very skeptical that it can work, but join because they feel like it's the right thing to do. Now they want to do even more! When we completed a project of \$100,000 we thought that was a big deal. The largest project we've done now is \$1.25 million! Without working together, we couldn't have that sort of political clout."

million has been committed to create affordable housing through the ARCH fund and nearly 1,663 units have been built or preserved throughout the region.

Conclusion

When building a regional trust fund, the rewards far outweigh the challenges. This network of 13 cities pooling resources and planning together holds great promise for creating a robust affordable housing stock at the regional level. ARCH's Parity Program encourages regional cooperation by requiring that every city be willing to fund a project in another city. In fact, one of ARCH's projects was funded by nine different jurisdictions.

Over eight years, ARCH has crafted an innovative model for regional housing trust funds that has been successful in the face of many challenge. Thinking and acting regionally works.

Community Housing Assistance Program

Boulder, Colorado

Background

The Boulder Community Housing Assistance Program (CHAP) was created in 1990. Its primary goal is to create housing that is affordable to households earning between 30-60% of the area median income. The City intends to produce sufficient affordable housing so that at least 10% of its housing stock is permanently affordable to households earning up to 80% of the area median income. Boulder also wants to have an affordable housing continuum, with housing choices and options at different income levels. The Boulder Valley Comprehensive Plan guides all key policies and plans.

The CHAP replaced a program known as the Moderate Income Housing Program (MIHP). MIHP was in existence from the mid-1970's until November 1990. The MIHP required that new developments include either 15% of the units as affordable to households with moderate incomes or 10% affordable to those with low incomes. These units were to be kept affordable for five to ten years. An Affordable Housing Task Force recommended that the focus be shifted from moderate to lower income households and that future programs focus on creating units that remain permanently affordable. The CHAP was created out of this effort.

Sources of Funding

The Community Housing Assistance Program (CHAP) is funded through an 8/10 th of a percent increase in the property tax and a tax on new construction of residential and commercial uses, known as the Housing Excise tax. The current rate for residential uses is \$0.16 per square foot and for commercial uses the rate is \$0.34 per square foot. The CHAP receives approximately \$1 million annually from these dedicated revenue sources.

Administration

The Community Housing Assistance Program is administered by the City's Housing Division. At least once a year, the Division initiates a funding round that is a combined application process for three sources of affordable housing funds: the Federal HOME and Community Development Block Grant programs and the Community Housing Assistance Program. The Housing Funding Program is governed by a two-year work plan adopted to guide housing funding decisions.

The awards process and other decision-making related to the CHAP-process is at the direction of the CHAP Technical Review Group, a five member review group appointed by the City Manager. After the Group prepares its initial recommendations, they are sent to the CDBG Citizens Group, which makes recommendations for CDBG funding. Final recommendations are forwarded to the City Manager for approval and then approved by the City Council.

Programs

Nonprofit organizations, private developers, churches, individuals, the local housing authority, neighborhood based groups and public/private partnerships are eligible to receive CHAP, HOME, and CDBG funds. Activities eligible for funding include: acquisition of buildings and land; rehabilitation of existing assisted housing; rehabilitation of units to become assisted housing; bridge loans; land banking; project equity; or construction loans. Awards are usually in the form of grants, although loans, deferred loans or project equity are considered.

Accomplishments

Since CHAP started, more than \$7.5 million has been awarded. Funds have been used for the acquisition, construction and substantial rehabilitation of homes. Funds have been used for improvements to units owned by the Boulder Housing Authority. Sites have also been purchased with CHAP funds for future construction of homes through the Division's land banking efforts.

Housing awards made in 2000 include:

- **Affordable Housing Alliance.** \$350,000 to develop 14 housing units at the Drive-in Theater site. \$290,000 to the Housing Authority. All of the units will be permanently affordable to households earning between 40-45% of the area median income.
- **Habitat for Humanity.** \$97,000 for the second phase of the Violet Hollow project. Violet Hollow consists of 16 single family homes located in North Boulder.
- **Home Repair: Mobile Homes—City of Boulder.** \$210,000 to make home repairs in up to 40 homes located in the City of Boulder.
- **Housing Authority.** \$400,000 to acquire 21 rental units for households earning between 30-70% of the area median income.
- **Foothills Predevelopment.** \$200,000 to complete the predevelopment stage for a 74-dwelling unit project, mixed income, affordable rental community.
- **Housing Authority.** \$275,000 for the installation of fire protections systems at five housing authority sites and to support Section 504 reasonable accommodation requests at all properties.
- **Developmental Disabilities.** \$60,000 to fund the development of the

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- **Developmental Disabilities.** \$60,000 to fund the development of the Foothills Group Home that would provide housing to 8 elderly, developmentally disabled individuals.
- **Boulder Shelter for the Homeless.** \$80,000 to fund the acquisition of 4 units of transitional housing. The units will be used to provide housing and support services for up to 2 years to homeless individuals, 8 at a time.
- **Thistle Community Housing.** \$200,000 to fund the acquisition of 20 affordable housing rental units. Up to 20 percent of the units will be accessible to persons with disabilities.
- **Thistle Community Housing.** \$30,000 to fund the completion of Thistle's Business Marketing Plan.
- **Opportunity Fund Opportunities .** \$200,000.

The William E. Sadowski Act

State of Florida

Background

Florida's housing trust fund was created in 1992 with the passage of the William E. Sadowski Act. The Act actually created two trust funds. Thirty-one percent of the funding goes to the state government housing trust fund. The remaining sixty-nine percent goes to the local government housing trust fund.

The Act was passed during deliberations over a state versus local housing trust funds. A coalition of players were brought together by an independent nonprofit organization to negotiate a compromise proposal. Key to the success of these negotiations was the agreement and ability to address each entity's key concern. This eight-year old coalition has sustained the trust fund ever since. Its members include:

- Florida Housing Finance Corporation (the state HFA)
- Florida Department of Community Affairs
- Florida Homebuilders Association
- Florida Association of Realtors
- Florida Association of Counties
- Florida League of Cities
- Florida Housing Coalition
- Florida Impact
- Florida Catholic Conference
- Florida Legal Services
- 1000 Friends of Florida
- Coalition of Affordable Housing Providers (rental developers, lenders, syndicators, etc.)

Revenue Source

The William E. Sadowski Act raised the statewide documentary stamp tax (transfer tax on deeds) by ten cents per \$100, effective August 1, 1992. In addition, it transferred another ten cents of existing documentary stamp tax from the general revenue to the housing trust fund, effective July 1, 1995.

For fiscal year 2000-2001, appropriations from Sadowski funds exceed \$184 million, including an extra supplemental appropriation of \$8 million.

Programs

The state programs include SAIL (rental production for very low income persons), HOME match funds, downpayment assistance for low income buyers in the state's bond program, predevelopment loans and grants for nonprofits, support for the state's Guaranty Fund (which is credit enhancement for almost all state and many local rental bond issues), and the Catalyst Program.

The Catalyst Program is the training and technical assistance component of the Sadowski Act, wherein the Florida Housing Coalition has a contract to provide direct technical assistance and workshop training to both local governments and nonprofits.

The local government housing trust fund is the SHIP Program (State Housing Initiatives Partnership Program). SHIP is a block grant program from the state to local governments, with general guidelines for the use of the funds. All counties and CDBG-entitlement cities are eligible to receive these funds. The Florida Housing Finance Corporation administers the distribution of these funds and is charged with monitoring compliance with the Act. The state is limited to no more than 5% of the funds for administration.

The SHIP funds are distributed according to a formula based on population, with each county receiving a minimum allocation of \$350,000. Cities receive a pro rata share of the county's allocation. Interlocal agreements for program management are encouraged and many localities have SHIP programs that are integrated between the county and CDBG cities.

Final requirements for the SHIP program reflect the priorities of the Coalition that put it in place and sustains it currently. These include:

- 65% of the funds must be used for homeownership;
- 75% of the funds must be used for construction/rehabilitation activities;
- 30% of the funds must be used to benefit very low income households; another 30% must benefit low income households; and 40% can benefit very low, low or moderate income households, at the discretion of local governments;
- all local governments receiving SHIP funds must expedite permits related to affordable housing;
- guidelines for the use of the funds are flexible;
- all local governments receiving SHIP funds must adopt a three year plan for expenditure of the funds; and
- there is a 10% limit of local administrative costs.

Accomplishments

All 67 counties and 40 CDBG-entitlement cities participate in the SHIP program. Since its inception, the Sadowski Act has generated \$1.01 billion of state funding.

[next page... \(Resources\)](#)



Housing Trust Funds

publications

advocating for change

equitable development toolkit

community health bibliography

WHAT IS IT?

WHY USE IT?

HOW TO USE IT

FINANCING

KEYS TO SUCCESS

CHALLENGES

POLICY

TOOL IN ACTION

RESOURCES

Technical Assistance

The most comprehensive source of information and technical assistance on housing trust funds is the [Center for Community Change](#). Their Housing Trust Fund Project acts as a clearinghouse of information about housing trust funds and provides technical assistance to those working to create and implement these funds. The Project works to ensure that these funds benefit those most in need of housing and that community-based organizations are involved in their creation and implementation.

Housing Trust Fund Project Publications, Center for Community Change

- *A Status Report on Housing Trust Funds in the United States (1997)*, describes the basic components of city, county, and state housing trust funds and contains profiles of 15 existing housing trust funds
- *A Workbook on Creating Housing Trust Funds (1999)*, presents a step-by-step guide to creating a housing trust fund with many examples and sample materials from other campaigns
- *News from the Housing Trust Fund Project*, 12-page quarterly newsletter providing current information on the activities of housing trust funds throughout the country

Other Publications on Housing Trust Funds

- Michael A. Stegman, "State and Local Affordable-Housing Programs: A Rich Tapestry." Urban Land Institute. Washington, D.C. 1999.
- Glenn D. Petherick, "State Housing Trust Funds: Innovative Sources for Financing Affordable Housing." National Council of State Housing Agencies. Washington, D.C. 1993.
- Charles E. Connerly, "A Guide to Housing Trust Funds: Tools for Community Development." Neighborhood Reinvestment Corporation. Washington, D.C. 1989.
- David Rosen, "Housing Trust Funds." American Planning Association. Chicago, Illinois. 1987.
- Daniel Hoffman, "County Housing Trust Funds: A Source for Affordable Housing Finance in Pennsylvania." Pennsylvania Low Income Housing Coalition. www.phil.frb.org/cca/capubs/cascade41.pdf

Sample Legislation and Ordinances

- The Sanders legislation, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_bills&docid=f:h2349ih.txt.pdf

National Housing Trust Fund Campaign

→ nhtf.org