



# Housing Trust Fund Project

## No Housing ... No Trust ... No Fund for Long Beach, California

After three years of work to create a housing trust fund in Long Beach, California, the Long Beach Housing Trust Fund Coalition stormed out of the City Council meeting protesting its decision to make a one-time

allocation of funds primarily to provide homeownership opportunities for those making as much as 150% of the county median income. The vote went against the recommendations of the City's own Housing and Community Development staff. This, in a City that is ranked 6th in the country for its high rate of poverty.

The proposal before the Long Beach City Council was to create a housing trust fund with \$500,000 in transient occupancy tax, begin the process of creating a 1% condominium conversion fee, and accept \$3 million from Boeing Realty as part of the Douglas Park development to be placed in a trust fund where half of the funds would support those most in need, making less than 30% of the county median income, and the remainder would go to those making as much as 150%.

The City Council, however, voted to make a

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one-time allocation of \$500,000 in transient occupancy tax revenues, in addition to the other revenue options, and to commit 80% of those funds to homeownership for households earning as much as 150% of the county median income, approximately \$82,625 a year.

#### *This Town is Your Town*

*This land is your land, this land is my land  
From California to the New York Island  
From the redwood forest to the Gulf Stream waters  
This land was made for you and me.*

*As I was roaming around our city  
I felt the sea breeze, I smelled the jasmine  
And from the people I heard the whispers:  
"This place is home for you and me."*

*This town is your town, this town is my town.  
We all need houses, whether cottage or condo,  
Whether north to Del Amo and near Redondo:  
This town is home to you and me.*

*I roamed and rambled, my thoughts were scrambled:  
How can our city sustain its people?  
As the fog was lifting, I felt the answer:  
"We must build homes for you and me."*

*This town is your town, this town is my town.  
We all need houses, whether cottage or condo,  
Whether Naples Island or the Wilmore District:  
This town is home to you and me.*

"This Land is Your Land" was adapted by Judy Wulf and Sandy Kröll for the Long Beach Housing Trust Fund Coalition and sung outside City Hall.



**News** is published by the Housing Trust Fund Project of the Center for Community Change. The Center for Community Change is a national nonprofit which helps low-income people build powerful, effective organizations through which they can change their communities and public policies for the better.

The Housing Trust Fund Project operates as a clearinghouse of information on housing trust funds throughout the country and provides technical assistance to organizations and agencies working to create and implement these funds.

For more information or to request technical assistance, please contact:

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**LONG BEACH** *continued from page 1*

The Long Beach Housing Trust Fund Coalition began advocating for the trust fund in the summer of 2002. The Coalition held by-monthly meetings, prepared educational materials, outlined a detailed proposal for the housing trust fund, sponsored community meetings and educational forums, met with city council members and city staff, held numerous other conversations with housing industry representatives, collected nearly 60 endorsements, prepared a video of resident conversations about housing needs in Long Beach, and participated in City Council study sessions, among many other activities.

The Coalition developed its proposal for a housing trust fund and in its campaign forced the issue on the City Council agenda. The Coalition's proposal would have created a \$5 million annual housing trust fund with dedicated revenue from:

- \$1.5 million -- Transient Occupancy Tax (hotel/motel bed tax)
- \$2.5 million -- Redevelopment Housing Set-aside (5% increase)
- \$1 million -- Real Estate Transfer Tax (existing revenues)
- 5% Condominium Conversion Fee Ordinance

In addition, the Coalition urged the council to make two important commitments:

- (1) consider inclusionary zoning and commercial linkage fees at the time it considers upcoming park and police development impact fees and
- (2) work with the Coalition to secure additional revenue sources for the

housing trust fund.

The Coalition proposed that the funds be targeted according to needs that exist:

- 40% for extremely low-income persons (30% area median income and below);
- 30% for very low-income persons (50% ami); and
- 30% for low-income persons (80% ami).

The City currently commits none of its available housing dollars (from redevelopment tax increment funds and federal HOME dollars) to those earning less than 30% of the area median income.

The Coalition reached its recommendations on potential revenue sources after considerable study, including working with a consultant hired by the City to develop recommendations for potential revenue sources. The consultant's recommendations regarding inclusionary zoning and a linkage development fee were rejected by the City Council earlier this year.

A study conducted in Long Beach by the Interfaith Community Organization, Long Beach Community Action Network and the Fair Housing Foundation found that there are roughly 6,000 homeless people in Long Beach on any given day. For many homeless families in Long Beach, motels are the only available affordable homes. The study calculated that these households paid as much as \$2.2 million a year in the transient

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# North Carolina Housing Advocates Win \$8 Million for State Housing Trust Fund

NC HOUSING FINANCE AGENCY

The Campaign for Housing Carolina won an important step this legislative session in reaching their goal to have \$50 million for the North Carolina Housing Trust Fund. The final budget commits a total of \$8 million to the fund, including a \$3 million allocation and an additional \$5 million to the Housing Finance Agency as part of reserves.

The Campaign more than doubled the funds previously committed to the North Carolina Housing Trust Fund and ensured a new focus on affordable housing issues, in the first year of their multi-year campaign. The Campaign for Housing Carolina is a collaborative effort led by the North Carolina Housing Coalition, the North Carolina Justice Center, United Way of North Carolina, North Carolina Coalition to End Homelessness, A.J. Fletcher Foundation, and the North Carolina Association of Community Development Corporations.

Strengthened by their success this year, the Coalition plans to build its efforts to educate the public and legislative leaders about the need and value of investing in affordable housing, increase allies and supporters, and focus on working with local advocacy groups from tenant associations to disability and domestic violence advocates.

The North Carolina Housing Trust Fund was created in 1987 using \$19.8 million from a legal settlement the state received due to oil company overcharges. Currently, it is funded

through annual appropriations and administered by the North Carolina Housing Finance Agency. A separate board, the North Carolina Housing Partnership, sets policy.

The Partnership Board consists of thirteen members, including the Agency's executive director, the secretary of the Department of Commerce, and the state treasurer. The General Assembly appoints the other ten members, who represent low income housing advocates, homebuilders, the League of Municipalities, nonprofit housing development corporations, residents of low-income housing, and the real estate lending industry.

The Housing Trust Fund is the most flexible housing dollars available to North Carolina. The Fund supports four programs: rental production, supportive housing development, urgent repairs, and a self-help housing loan pool. As of the end of 2004, the trust fund has financed 15,000 homes and apartments, including: more than 1,500 units of supportive housing for mental health clients, victims of domestic violence and others; emergency repairs and accessibility modifications that enabled 5,500 very low income homeowners to continue to live safely at home after strokes and



*Second Avenue Home in Gastonia serves people with traumatic brain injuries.*

accidents; and dozens of homes built with state-of-the-art energy-saving construction techniques.

More than 80% of the Trust Fund housing benefits very low income households and more than 45% of the Trust Fund housing benefits extremely low income households. The trust fund investments have had a positive impact on North Carolina's economy as well as the supply of affordable housing. The Trust Fund's activities have generated: 7,300 construction jobs; \$26.9 million of state tax revenues; and \$35.7 million of local tax revenues. The Trust Fund leverages an additional three dollars of housing for every one dollar of state funds. Funds have been dispersed to projects in all 100 counties of the state and three specific developments have won national awards for excellence.

Contacts: Chris Estes, North Carolina Housing Coalition, 224 South Dawson Street, Raleigh, NC 27601 (919-881-0707) or Bill Rowe, North Carolina Justice Center, P.O. Box 28068, Raleigh, NC 27611 (919-856-2177) or [www.nchousing.org](http://www.nchousing.org).

# Montpelier, Vermont Creates Housing Trust Fund

Montpelier, Vermont began operation of its housing trust fund when nearly 65% of the voters approved a measure to add one cent to the municipal property tax, assessed on all real (non-exempt) property. While the one-year measure only capitalizes the fund, hopes are that the fund will be extended in the future.

The measure came out of the work of a fifteen-member Task Force established in 1999. The Task Force has responsibility for:

- (1) gathering and evaluating information regarding housing trends in the City,
- (2) developing responses to housing concerns that are identified, and
- (3) recommending policies concerning housing to City government.

The Montpelier Housing Trust Fund will be used exclusively to support the preservation, construction and rehabilitation

of housing in Montpelier for homeownership that is affordable to households earning no more than 80% of the area median income.

The Fund will work primarily with the Housing Authority and Community Land Trust assisting five to ten households per year purchase an affordable home by leveraging private and public funds and working with potential homebuyers and nonprofits. The nonprofits are expected to help with homebuyer education, mortgage qualification, staff support and other grants. Homes purchased with assistance from the trust fund will remain affordable to subsequent eligible households for a minimum of fifteen years.

The City Council has now adopted guidelines for operation of the Montpelier Housing Trust Fund. Approximately, \$52,000 will be available and placed into a special revenue account managed by the City Manager with assistance from staff. In addition a five-member

Advisory Committee will work with the City to prioritize applications to the Fund, make funding recommendations to City Council, and monitor the operation and activity of the Fund. The Advisory Committee members are appointed by City Council, including

one member of City Council and four persons who live and work in Montpelier, at least two of whom have some expertise and experience in the preservation, construction, rehabilitation and financing of affordable housing. City Council has final authority in making awards from the Fund.

The goals of the Fund are to increase the number of homes in Montpelier affordable to eligible households; encourage repayment or reinvestment of awards from the Fund; and leverage additional public, private and charitable funds to further affordable homeownership and assure the health and viability of the Trust Fund.

When funds are available, at least two grant rounds are to be held each year. Awards will be made up to \$10,000 per household. Priority will be given to newly constructed or converted/rehabilitated housing that results in a gain in affordable homes; awards that will be repaid or the home remains affordable for longer than fifteen years; housing that is purchased by a household living or working in Montpelier; housing that contains two or more bedrooms; or awards that enable refinancing or restructuring mortgage financing for an existing homeowner who agrees to affordability restrictions.

Contact: George Seiffert, City of Montpelier, Community Development Department, City Hall, 39 Main Street, Montpelier, VT 05602 (802-223-9506).



*North Branch Apartments on Elm Street in Montpelier are available from the Central Vermont Community Land Trust.*

# Alexandria, Virginia Creates Housing Trust Fund for Preservation

The City of Alexandria, Virginia has created an Affordable Housing Trust Fund by dedicating one penny of each dollar received from real property taxes. The City Council voted unanimously to approve the new initiative. The funds are committed to the preservation of affordable housing. It is expected to generate \$2.8 million in 2006.

Alexandria officials say that condominium conversions are one reason the additional funds were needed. Area home prices are so high that windfall profits are a strong incentive to those who own rental apartment buildings. Converting apartments to condominiums has been extremely popular in the Washington, D.C. area, but many of the renters cannot afford to buy the homes once they are placed on the market as condos.

Housing Action, along with the Tenants' and Workers' Support Committee of Northern Virginia and the Washington Regional Network for Livable Communities, campaigned for the new affordable housing trust fund. Housing Action is a coalition of citizens committed to finding and implementing constructive approaches to the affordable housing dilemma in Alexandria, Virginia. The Tenants' and Workers' Support Committee is a community effort to halt evictions in Alexandria. The Washington Regional Network for Livable Communities promotes transportation investments, land use policies, and neighborhood designs

that enhance existing communities and protect the environment.

In the few months before passage of the new fund, estimates were that 10% of the apartment stock in Alexandria had been bought for upgrading and sale as condominiums. Currently the City's rental vacancy rate is only 5.2%. On average, the single family home rose from \$371,232 to \$586,719 and condominium sales from \$152,395 to \$309,021 between 2001 and 2005, according to the Northern Virginia Association of Realtors.

Thus the sense of urgency to take action and be able to have an impact on preserving the affordable housing that exists in Alexandria. The city believes it needs to leverage the committed tax revenues to enable them to buy property for affordable housing. The goal is to save 200 units in the fund's first year, but by pledging the commitment in property tax revenues to serve a bond, the city could increase its resources and save far more affordable housing units.

The City created the Alexandria Housing Development Corporation last year with broad powers to work with nonprofit or for profit developers, or to work alone to preserve and expand affordable housing.

Three areas of action have been identified by housing advocates:

(1) Develop a housing preservation action plan: The City and participating groups need

a specific plan with measurable targets, actions and a feedback system. Possible action plan elements that might be included are: preservation targets for populations and incomes to be served; a comprehensive inventory of the current affordable housing stock, policies for long term preservation and management of City assisted affordable units, and a preservation monitoring system, among other recommendations.

(2) Multiply and leverage dedicated funds: Pledging the dedicated one cent of property tax revenues to serve a bond would multiply the City's resources quickly and enable acquisitions to ensure long term affordability (99 years) by leveraging with private sector funds.

(3) Build new public/private implementation partnerships: A highly cooperative partnership of entities is necessary to moderate the forces of a runaway residential market. Teamwork is needed among city offices, with development entities, property owners, and transactors, as well as with the business community and civic leadership.

Contacts: Jim Holben or Nancy Carson, Housing Action, 301 West Masonic View, Alexandria, VA 22301 (703-683-3722) [www.housingaction.org](http://www.housingaction.org); Jon Liss, Tenants and Workers Service Committee, 3805 Mount Vernon Avenue, Alexandria, VA 22305 (703-684-5697) [www.twsc.org](http://www.twsc.org); and Stephen Wade, Washington Regional Network for Livable Communities, 4000 Albermarle Street, N.W., Suite 305, Washington, D.C. 20016 (202-244-1105) [www.washingtonregion.net](http://www.washingtonregion.net).

# AFSCME Creates Union Housing Trust Fund in Boston, Massachusetts

The American Federation of State, County and Municipal Employees (AFSCME), along with the City of Boston, Massachusetts, have created a housing trust fund to help AFSCME members with housing costs. The agreement is designed to address the consequences of a residency requirement for public employees in Boston. Established through collective bargaining agreements that were negotiated and signed over the past year, the housing trust fund will provide financial assistance for home rentals and purchases to qualifying AFSCME members.

The City will fund the program with a one-time contribution of \$525,000 and ongoing payments of five cents

for every hour worked by each AFSCME employee.

Eligibility for support from the fund extends to all AFSCME employees who must and/or actually reside within the City of Boston and who earn 120% or less of the area's median income. The available subsidies will take the form of rental assistance or help in financing first time homebuyers.

Council 93 negotiators secured the fund as part of a two-pronged strategy aimed at providing AFSCME members with relief from the city's residency requirements. In addition to the creation of the housing trust fund, negotiators convinced the city to exempt hundreds of employees from the residency requirement. Now, only workers hired after 1990 are subject to the residency rule.

Leaders from AFSCME locals and the Mayor Thomas Menino administration celebrated the capitalization of the fund at a ceremony at Boston City Hall, where the Agreement and Declaration of Trust were signed.

Housing trust funds have been part of contracts with private sector unions, but this is widely believed to be the first time that such a fund has been included in a contract with a public employee union. In fact, in 1988, the Hotel and Restaurant Workers Union-Local 26, representing service workers in the greater Boston area, became the

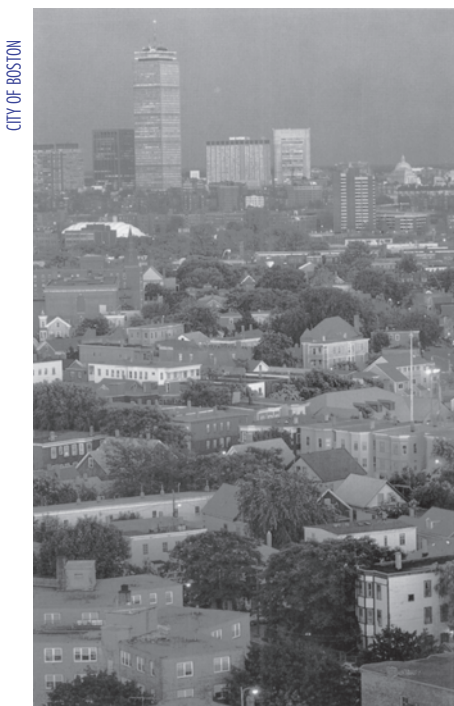
first labor union in the country to negotiate for employer paid housing assistance. This housing trust fund was four years in the making, as the Taft-Hartley Act was first amended to make housing a legal benefit at the bargaining table.

Subsequently, Local 26 created the Union Neighborhood Assistance Corporation, a nonprofit that administered the housing trust fund. According to the three-year contract, hotel employers paid five cents per hour per employee to be used for rental or homeownership assistance. Funds were open to all community residents regardless of union affiliation.

UNAC developed four major programs: housing services, tenant advocacy, housing development and financial assistance. UNAC has evolved into the Neighborhood Assistance Corporation of America (NACA), a nonprofit community advocacy and housing services organization. NACA has been a driving force behind the research, exposure of, and battles against predatory lenders and discriminatory lending practices nation-wide.

The administration and program components of the newly established AFSCME housing trust fund in Boston are still being developed.

Contact: Jen Springer, AFSCME 93, 8 Beacon Street, Boston, MA 02108 (617-367-6028).



*Boston neighborhoods.*

# Harvard University Partnership Initiative Works with Cambridge Housing Trust Fund

The Cambridge Massachusetts Affordable Housing Trust Fund was created in 1989 to promote, preserve and create affordable housing. This summer, through Harvard University's Affordable Housing Partnership program, the Fund received \$8 million in funds. The affordable housing initiative is intended to use Harvard's intellectual and fiscal capital to support Cambridge and Boston nonprofit agencies in their efforts to ease the affordable housing shortage.

Harvard's 20/20/2000 is the cornerstone of the University's initiative. The program was created in 1999 and began partnering with the Cambridge Affordable Housing Trust Fund at that time. The program now consists of a \$20 million capital loan fund. The fund provides 20-year loans to area nonprofit agencies, to be repaid at 2% interest. The new funding provided by Harvard University will be managed by three Cambridge and Boston housing intermediaries that provide resources to nonprofit organizations.

Working through Boston Community Capital, the Cambridge Affordable Housing Trust, and the Local Initiatives Support Corporation, Harvard will provide \$10 million in loans to Cambridge nonprofit agencies and \$10 million in loans to Boston nonprofit agencies. The nonprofits, in turn, will use the money to create or preserve affordable housing for Massachusetts residents.

Two other components of the Initiative include: (1) the Housing Innovation and Policy program, which is a \$1 million fund to award grants to nonprofits that have a successful track record of developing new approaches and innovative solutions to affordable housing; and (2) the Harvard Housing Advisory Committee which will bring together Harvard faculty and staff to learn about key issues challenging housing production locally.

The Cambridge Affordable Housing Trust Fund intends to use the funds to enable it to serve households it has been unable to serve in the past. The Affordable Housing Trust Fund has made significant contributions to increasing affordable housing by providing City funds in combination with matching funds under the state's Community Preservation Act. Massachusetts's Community Preservation Act enables cities to increase local property taxes (which Cambridge approved in 2001) and commit these new resources to the creation and support of affordable housing, along with the acquisition and preservation of open space, and the acquisition and preservation of historic buildings and landscapes. The funds can be matched through the state program. In 2005, the Cambridge Housing Trust Fund

received \$8.4 million through CPA funds.

In addition, Cambridge commits non-residential developer impact fees through its linkage program

CITY OF CAMBRIDGE, CD DEPARTMENT



*Auburn Court in Cambridge.*

to the Affordable Housing Trust Fund. In 2003, the City raised the housing contribution to \$3.86 per square foot of development and is currently seeking to increase the rate to \$7.83 per square foot after completing a recent study that re-evaluated the program. Last year, the Fund received \$918,468 in linkage payments. The Community Development Department anticipates that the City will receive housing contribution payments exceeding \$2.5 million over the next 5-7 years.

The Cambridge Affordable Housing Trust Fund is administered by

*continued on page 8*

the Community Development Department and the City Manager, who appoints a nine-member City Board. The Board is responsible for approving funding requests for housing development and developing new housing programs and policies. The Board is made up of community members who are experts in the fields of real estate finance and development, affordable housing policy and design, and banking.

The Affordable Housing Trust Fund lends funds to local nonprofit

housing development organizations to develop affordable housing. The Trust also funds a comprehensive first-time homebuyer program operated by the City. This program, CITYHOME, was created when rent control was terminated in Cambridge in 1995.

More than \$42 million has been spent through this program to provide financial assistance to low and moderate income condominium buyers, nonprofit acquisition of multifamily buildings, incentive for private owners, and expanded

housing access services.

Under the Harvard University Initiative, the trust has managed a low-interest loan fund available for affordable housing development. With these funds, the Trust makes low-interest loans for construction and permanent financing for the development of affordable housing.

Contacts: Susan Glazer, City of Cambridge, Department of Community Development, 344 Broadway, Cambridge, MA 02139 (617-349-4605) or Jim Barrows, Harvard University Office of Government, Community and Public Affairs (617-495-4955).

## Hawaii Legislature Increases Funding for Rental Housing Trust Fund

The Hawaiian legislature passed an omnibus housing bill that, among other things, increased the percentage of the real estate conveyance tax going to the state's Rental Housing Trust Fund from 25% to 30%. The bill also increased the conveyance tax for home sales in excess of \$600,000 and for home sales above \$1 million. The Rental Housing Trust Fund was created in 1992 and has been administered by the Housing and Community Development Corporation providing gap financing in the form of low interest loans and grants to developers of affordable housing units.

The program has received approximately \$2-3 million in conveyance tax revenues each year,

supplemented with appropriations and bond funds. The Rental Housing Trust Fund typically makes available approximately \$12.5 million a year. This new action on the part of the legislature is expected to increase the conveyance tax revenues committed to the fund to \$5 million a year.

The legislation follows on the heels of a report released by the Hawaii Affordable Housing Task Force recommending a number of changes that would increase funding for the state's Rental Housing Trust Fund, among other measures. In the fall of 2004, Governor Linda Lindle called upon the Housing and Community Development Corporation of Hawaii to convene a task force to develop near-term

solutions to the housing shortage problem in the state. The Task Force included representatives from state, county and federal agencies, developers, financial institutions, the real estate industry, and housing advocacy organizations. The Task Force was charged with considering incentives for the development of affordable housing, acceleration of regulatory and permitting processes, infrastructure, implementation issues, and incentives for affordable housing financing.

The Rental Housing Trust Fund has, in recent years, been used primarily to assist in financing housing supported through the federal low income housing tax credit program. Currently, the Rental Housing Trust Fund receives



25% of the state’s revenue from a real estate conveyance tax. The Task Force recommended increasing this commitment to 50%. The Task Force also suggested that the conveyance tax be increased for higher priced properties, which would add to the revenues generated for the trust fund.

In addition, the Task Force recommended that a second revenue source be added to the Rental Housing Trust Fund. In Hawaii, general excise taxes are collected on residential rents. The Task Force suggested diverting 25% of these revenues from the state’s general fund to the trust fund. This move would add an estimated \$20 million annually for rental housing. While housing advocates throughout the state supported this action, it was not included in the final passage of the bill.

A coalition of groups involved in the affordable housing and conservation sectors formed to advocate for the increase in the conveyance tax and other key recommendations of the Affordable Housing Task Force. The coalition included: the Affordable Housing & Homeless Alliance, Conservation Council for Hawaii, Catholic Charities Hawaii, Institute for Human Services, KAHEA—The Hawaiian Environmental Alliance, Homeless Solutions, Inc., The Nature Conservancy of Hawaii, Partners in Care, Waianae Community Outreach, Homeless Services Consulting, Sierra Club Hawaii Chapter, Trans Pacific Housing Corporation, The Trust for Public Land, and Life of the Land. Ten

percent of the conveyance revenues goes to a special fund to purchase land for conservation and another 25% is set aside for watershed protection.

The Task Force made a number of additional recommendations to improve production levels throughout the state, including streamlining the approval process and relaxing underwriting criteria. Finally, the Task Force suggested creating a new housing agency to separate responsibilities for public housing programs and residential development financing. Both are currently under the auspices of the Housing and Community Development Corporation.

Among the other changes passed in the bill are: (1) priority for funding is given to projects or units that are allocated low income housing credits and mixed-income rental projects available to households whose income does not exceed 140% of the median family income; (2) over the next two years, the extent to which housing is provided for those making less than 30% of median family income will be assessed as an effective use of the fund; and (3) the Housing and Community Development Corporation will be separated into two entities, one



*Hale Lokabi Elua is an affordable rental apartment complex developed for renters on the island of Maui whose incomes do not exceed 50% of the county median income. Hale Lokabi Elua was developed by Lokahi Pacific.*

responsible for the administration of public housing and the second the Hawaii housing finance and development administration.

Contact: Rental Housing Trust Fund, Housing and Community Development Corporation of Hawaii, 677 Queen Street, Suite 300, Honolulu, HI 96813 (808-587-0567)

# Anaheim, California Adopts Affordable Housing Plan with New Fund

SCANPH

The Anaheim, California City Council approved an affordable housing plan that promises to provide 1,200 affordable housing units in the next four years. On a 3-2 vote, the approved plan would implement:

- (1) A change in the zoning ordinance to allow higher density housing in more areas of the city through density bonuses encouraging low and very low housing units.
- (2) An ordinance to facilitate the conversion of or the replacement of limited motels into affordable rental apartments.
- (3) A mixed use overlay for targeted areas with access to mass transit requiring an affordability component.
- (4) A coordinator for motel, family and homeless housing.
- (5) Set aside an increase in redevelopment funds (10% more than the 20% required by state law to be used for low and moderate income affordable housing) and transient occupancy tax (bed tax)

For every eight jobs created in the city only one new housing unit was added to the housing stock for a current jobs and housing balance of eight to one. State housing planners agree that a healthy balance between jobs and housing is 1.5 to 1.

—The Kennedy Commission, “Getting Workforce Housing Built: Recommendations for Systemic Change”

revenues for affordable housing projects.

In at least the last ten years, the City has not approved new development aimed at adding homes for very low income households. Many low income residents are forced to stay in motels or double and triple up in available apartments in Anaheim. Overcrowding in housing creates overcrowding in local schools as well.

The new plan would designate one third of the new units for low income households (80% of area median income or about \$61,450 annually for a family of four) and another third for very low income residents. The rest would be affordable housing units for families with higher incomes. In addition, whenever low or very low units are removed as part of a city project, the equivalent number of units must

be added to the following year’s targeted number.

More than a year ago, the Anaheim City Council passed the Affordable Family



*Casa Alegre is a 23 unit building serving homeless people living with HIV in Anaheim. The project provides supportive services to residents including counseling, a food pantry, and health education as well as full access to a built-in entertainment center. Co-developers are Mercy Housing California and the AIDS Services Foundation of Orange County.*

Housing Ordinance, which created incentives for developing lower income housing by addressing local government barriers and constraints. The ordinance was developed by the Anaheim Affordable Housing Task Force—a collaborative effort of the Kennedy Commission’s Anaheim Working Group and staff from the City of Anaheim’s Community Development Department. The Anaheim Working Group includes Anaheim residents, affordable housing developers and staff of the Kennedy Commission.

This most recently approved plan follows an intense debate about incorporating inclusionary zoning principles into development in Anaheim, which would have required developers to set aside a portion of new residential development for affordable housing.

Contact: Cesar Covarrubias, Kennedy Commission, 2081 Business Center Drive, Suite 292, Irvine, CA 92612 (949-250-0909).

# “Community Investments” Reports on State Housing Trust Funds

Community Investments published by the Community Affairs Department of the Federal Reserve Bank of San Francisco devotes its September 2005 issue to Affordable Housing. In addition to an article looking at state housing trust funds in the west, other articles discuss affordable housing in high cost areas, innovations in local housing policy, using manufactured housing in affordable housing development, and financing workforce housing.

The article on state housing trust funds, by Carolina Reid, reviews housing trust funds in California, Arizona, Hawaii, Utah, and Washington and provides an excellent overview of what these funds have been able to accomplish.

Copies are available from: Community Affairs Department, Federal Reserve Bank of San Francisco, 101 Market Street, San Francisco, CA 94105 (415-974-2487).

“In Washington, the housing trust fund is a critical part of our strategy to provide affordable housing, and the funds are often what puts a project in the black and gets it built. The challenge now is to do more. Out of a total \$2.4 billion budget, \$100 million is just a drop in the bucket. What if funding went to \$200 or \$300 million? With our skyrocketing house prices, we need to keep thinking big and innovating to ensure that we’re creating a just society in which everyone has a safe and affordable place to live.”

– Washington State Representative  
Hans Dunshee

# Low Income Investment Fund Reports on Impact of Affordable Housing on Individuals and Families

The Low Income Investment Fund has launched its Housing Impact Initiative—an investigation of the long-term benefits to families of living in privately owned assisted housing. The Initiative will examine the extent to which, and how, assisted housing promotes adult and child well being considering such fundamental outcomes as residential stability, mental and physical health, children’s school success, movement toward homeownership, and economic advancement, including asset-building.

Its June 2005 “Report to the Community” provides a summary of current research on the topic of how affordable housing programs improve economic mobility for their recipients. It is intended to highlight what is currently known about the effects of subsidized rental and homeownership programs on increasing family well-being, defined to include employment and earnings, health outcomes, and other broad measures. The report also identifies major gaps in understanding the ways in which housing programs advance these goals.

LIIF launched the Housing Impact Initiative in 2004. The eleven-year research will be the first longitudinal study to measure the broad range of potential benefits from assisted housing. The Initiative aims to answer the question, “Other things equal, does living in assisted housing improve the life chances of low income families?”

Copies are available from Low Income Investment Fund, 100 Pine Street, Suite 1800, San Francisco, CA 94111 (415-772-9094).  
[www.liifund.org](http://www.liifund.org).

occupancy tax. The City rejected these findings. The City's own calculations estimated that at least \$600,000 in transient occupancy taxes are paid by the homeless in Long Beach each year.

The Long Beach Housing Trust Coalition left the City Council meeting in protest when it became clear the some Council Members were planning to ignore the 26% of residents that live in poverty in Long Beach, according to Coalition leaders. The Council voted to set aside only \$100,000 for those in dire need of safe decent affordable housing, ignoring recommendations to address these critical needs, as a one-time allocation. Coalition members left council chambers with no housing, no trust, no fund.

But the Coalition says there is good news: while the City Council voted to use a minimal amount of city resources collected from the homeless to subsidize homeownership for upper middle income households, it didn't make it permanent.

The Long Beach Housing Trust Fund Coalition believes in four guiding principles to govern the development of a housing trust fund for the City:

- (1) The housing trust fund should have permanent, reliable, dedicated, local sources of revenue;
- (2) The housing trust fund should target funds to those who need housing the most.
- (3) The housing trust fund administrators should have flexibility

to adapt to changing circumstances.

(4) The housing trust fund administrators should be held accountable.

These four principles will continue to guide their campaign.

Contacts: Susanne Browne, Legal Aid Foundation of Los Angeles, 110 Pine Avenue, Suite 420, Long Beach, CA 90802 (213-640-3897) and Josh Butler, Disabled Resource Center, 2750 E. Spring Street, #100, Long Beach, CA 90806 (562-427-1000 x16).



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