



# Housing Trust Fund Project NEWS

## Washington, D.C. Builds Its Housing Production Trust Fund

2006  
FALL

Washington, D.C.'s Housing Production Trust Fund is expected to gain an additional \$15 million from an increase in the rates for real estate recordation and transfer taxes in the city beginning in fiscal year 2007. The Council's approval of the increase raises the total estimated revenues dedicated to the Housing Production Trust Fund for fiscal year 2007 to \$67 million. The District's affordable housing advocacy community is celebrating

this victory in its progressive campaign to create and sustain an effective trust fund for the District's lower income population.

This victory was made possible by a collaboration between the Affordable Housing Alliance and the Fair Budget Coalition. The result was a stunning victory for low income residents of the District of Columbia as Mayor Anthony Williams and Council approved \$78 million in new affordable housing

- Indiana Releases Report with Housing Trust Fund Recommendations ..... 3
- Washington Homeless Trust Fund Begins Sharing Accomplishments ..... 5
- Tucson, Arizona Creates a Housing Trust Fund ..... 7
- Philadelphia Housing Trust Fund Awards \$6 Million in its First Request for Proposals ..... 8
- Joint Hennipen County and City of Minneapolis Commission Makes Recommendation for a Homeless Trust Fund ..... 9
- Vermont Highlights Housing and Wages ..... 10



Seniors demonstrating for a new local rent supplement program at the D.C. Council in March 2006 help build support for more funding for D.C.'s Housing Production Trust Fund.

programs and millions more for social services. In addition to \$15 million more for the Trust Fund, nearly \$12 million was committed to create a new local rent supplement program, \$12 million for homeless programs, \$11 million for public housing and Section 8 support, \$7.5 million for emergency assistance, \$6 million for energy assistance, \$5 million for workforce housing, and \$4 million for mental health housing. The gains for housing



## CENTER for COMMUNITY CHANGE

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

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

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

### Mary E. Brooks

Housing Trust Fund Project  
1113 Cougar Court  
Frazier Park, CA 93225  
Tel: 661-245-0318  
Fax: 661-245-2518  
mbrooks@communitychange.org

Visit our website at:  
[www.communitychange.org](http://www.communitychange.org)

## WASHINGTON, D.C. *continued from page 1*

were all the more impressive because they were entirely funded from an increase in the recordation and transfer taxes from 1.1 to 1.45 percent, despite strenuous objections from the real estate industry.

Just five years ago, the District of Columbia's Housing Production Trust Fund was a trust fund in name only. Created in 1989, the Trust had never been adequately funded, with only a few million dollars available through the subsequent decade. In 2001, legislation introduced by the Mayor and approved by the Council reinvigorated the Fund by pledging a dedicated stream of 15 percent of the District's recordation and transfer taxes to affordable housing.

Mayor Anthony Williams proposed \$47 million in new funding for affordable housing in the new budget, following recommendations from his Comprehensive Housing Strategy Task Force (the result of legislation formulated by the Affordable Housing Alliance three years earlier). Yet the new collaboration and effective advocacy led the council to increase funding levels for housing programs.

In years past, the Affordable Housing Alliance—more than thirty organizations and activists—won full funding for the Housing Production Trust Fund against cutbacks attempted by the Mayor and some council members. This past year AHA joined forces with the Fair Budget Coalition, an association of more than 40 nonprofit organizations engaged in supporting low and moderate income residents in the city, to advocate for housing and social services programs.

*"The Housing Production Trust Fund is a godsend; there would be very little affordable housing being produced in the District without it."*

Robert Pohlman, Director of the Coalition for Nonprofit Housing and Economic Development, whose members both advocate for and use money from the fund to produce and preserve affordable housing.

The Chair of the Council's Finance and Revenue Committee demonstrated strong leadership in crafting a plan with housing advocates to gain the revenues needed to pay for the new housing programs. Angie Rodgers of the DC Fiscal Policy Institute, a member of both alliances said, *"AHA joining with FBC was key to the success of the efforts. The result was that a wide range of people—domestic violence, mental health and children's advocates, who normally never talk about housing from a production perspective—made the case for more production of affordable housing. We found out that these were exactly the people legislators needed to hear from."*

The Housing Production Trust Fund is administered by the Department of Housing and Community Development. When the Spring 2006 Request for Proposals was released, developers in the District sought twice the funding available. In response to the growing interest, capacity and advocacy of nonprofit developers—represented by the Coalition for Nonprofit Housing and Economic Development—and other affordable

*continued on page 12*

## FUNDING

Publications are funded by a grant from the Fannie Mae Foundation

# Indiana Releases Report with Housing Trust Fund Recommendations

PARTNERS IN HOUSING DEVELOPMENT CORPORATION

In June 2006, Indiana's Affordable Housing and Community Development Fund Advisory Committee issued its report and recommendations for securing dedicated public revenues to sustain the Fund. Indiana's Lt. Governor, Becky Skillman, has accepted the report. The Advisory Committee has not only developed a solid set of recommendations for adequately funding the Development Fund, but it has fully documented why doing so is critical to Indiana's future.

Indiana's Affordable Housing and Community Development Fund was created in 1989. However, a long-term dedicated public revenue source for the Fund has eluded the state. The Fund was capitalized with a \$35,000 appropriation, along with \$250,000 annually from 1989 through 1992. In 1993, the legislature authorized the Indiana Housing and Community Development Authority to issue \$5 million in bonds payable on behalf of the Development Fund, resulting in net proceeds of about \$3.8 million. Since then, the Fund has received limited funding from the state's General Fund and a variety of other sources.

The 16-member Advisory Committee, appointed by the Governor, has the responsibility to prepare recommendations regarding the policies and procedures of the Fund, including the search for a long-term source of revenue to ensure that the Fund can continue its efforts to provide affordable



*Colonial Park provides 106 apartments and was completely transformed by Partners in Housing Development Corporation to provide affordable housing for low-income people as well as on-site resources. Colonial Park received the Governor's Award for Excellence in Affordable Housing and was recognized by The Great Lakes Capital Fund with an award.*

housing. The Fund is administered by the Indiana Housing and Community Development Authority.

The report reviews the activities and accomplishments of the Fund. It summarizes why the Development Fund is needed and the economic benefits the state realizes from its operations. The Report also identifies the household impacts of Development Fund investments.

In assessing potential dedicated sources of revenue, the Advisory Committee first quantified affordable housing needs in Indiana and the cost of addressing that need. The report concludes that 352,662 affordable housing units are needed throughout the state with a cost approaching \$13 billion. To address this need over the next 30 years, the report estimates that \$432 million is needed annually. However, after taking into account existing funding and the potential leverage of new dollars, the annual Development Fund gap is reduced to \$69,429,000. The Report further reduces the amount needed for the Development

Fund, by assuming that new private and philanthropic funds will cover a portion of the need. The Report concludes that the Housing and Community Development Fund requires \$41 million in new public funds each year to meet Indiana's affordable housing needs.

The Advisory Committee considered twenty-four potential revenue sources. For each, it evaluated its impact and effectiveness, relevancy and germaneness, and the recognition that public and private entities alike will need to share the investment required. It suggests five sources:

(1) Apply a surcharge to document processing fees. This would be an additional fee to record documents.

(2) Utilize a portion of the increase in sales tax revenues collected on building materials above a base year. The amount of revenues collected from the sales tax on building materials in a selected base year would continue to go into the General Fund, but a percentage of additional sales taxes over the base amount collected would go to the



Development Fund.

(3) Implement a surcharge on the issuance of all local government bonds in Indiana. A small surcharge could be added to each bond issue in Indiana. Since Indiana’s current total bond volume is approximately \$2.5 billion, even a very small surcharge (in the range of .25 to 1.0 percent) would generate significant revenues.

(4) Explore bond issues. In 1993, IHCDA was authorized to issue \$5 million in bonds payable on behalf of the Development Fund and purchased by the Indiana Board for Depository Institutions. IHCDA could seek authority to issue additional bonds for the same purpose.

(5) Secure IHCDA funding. Since the Development Fund’s inception, IHCDA has provided approximately \$6.5 million in capital. IHCDA plans to continue to commit \$500,000 per year to the Development Fund.

The Indiana Housing and Community Development Fund is targeted to support households earning no more than 80% of the area median income. At least half of the investments made by the Development Fund must serve families living at or below 50% of the area median income. The funds can support emergency shelters, transitional housing, permanent supportive housing, rental assistance, repair/rehabilitation of affordable housing, new construction of affordable housing, lease-purchase programs, down-payment assistance, homeownership education, among other activities.

Since 1989, the Development

*The Bloomington Housing Trust Fund is a loan fund for affordable housing. Bloomington Restorations, Inc. restored this home with a loan from the Fund.*



Fund has made \$19 million in loans and nearly \$1.5 million in grants. These investments have leveraged almost \$90 million in additional funds. These funds have enabled the development of more than 1,400 units of affordable housing. Of the total funds invested, 59% have supported rental housing; 30% were used to fund homeownership; 9% supported the creation of emergency, transitional, and supportive housing; and 2% were used to provide training and technical assistance.

The report sites a number of trends that demonstrate why the Development Fund is so necessary in Indiana, including: rising numbers of Indiana households paying more than 30% of their income for housing costs; an increase in homelessness; rising energy costs; high foreclosure rate; emerging markets for homeownership; and a growing senior population. In addition, the School of Public and Environmental Affairs at Indiana University Purdue University at Indianapolis estimates that the \$20 million invested by the Development Fund to date has leveraged more than \$90 million in other funds,

generated 1,600 new jobs resulting in \$52 million in new wages, and has created nearly \$83 million in income for other industries.

Finally, the report identifies a full range of household impacts from the investments of the Development Fund.

• **Safe, adequate housing means healthier children.** Homeless children suffer almost twice the respiratory infections, five times the diarrheal infections, seven times the iron deficiency, twice as many hospitalizations, and significantly worse overall health status compared to housed children. Children living in substandard housing also face many of these issues. These health-related problems can result in higher public costs in health care, particularly given that many Indiana families living in poverty are uninsured.

• **Educational attainment.** Housing stability can have a direct impact on educational achievement. When families move in search of affordable housing, it often means that their children must change schools. Stable housing allows children to remain in the same schools over the long term.

• **Stable housing promotes stable workers.** Research suggests that affordable rental housing can play a critical role in promoting increased employment and earnings among very low-income households.

• **Greater value and better quality of life for seniors.** Seniors who are able to remain in their homes rather than moving to a nursing home reap a number of benefits. Aging in place helps seniors remain self-sufficient, keeps them socially engaged, encourages cost-saving

interdependence between friends and neighbors in the community, and promotes higher quality of life and personal control among seniors.

• **Homeownership builds healthier communities.** Higher rates of homeownership confer benefits on both homeowners and their neighborhoods.

• **Homeownership provides positive impacts for generations to come.** The benefits of homeownership also extend to future generations.

To find out more about the campaign to fully fund the Indiana Housing and Community Development Fund, go to [www.ourindianahome.org](http://www.ourindianahome.org). This helpful informative website gives opportunities for participating in and supporting the campaign.

Contact: Joe Palus, Indiana Housing & Community Development Authority, 30 South Meridian, Suite 1000, Indianapolis, IN 46204 (317-232-7777).

## Washington Homeless Trust Fund Begins Sharing Accomplishments

In 2005, Washington State set a bold goal of cutting homelessness in half within the next ten years. Toward this end, the Washington Legislature passed HB 2163 to address homelessness statewide. It increased the document recording fee by a \$10.00 surcharge on all documents recorded by the county auditor, with some exceptions. It is estimated that it will generate approximately \$12 million annually. Sixty percent of

the funds stay with the County of origin. To be eligible, counties were to prepare their first local homeless housing plans by December 31, 2005. Thirty-five of the thirty-nine counties in the state submitted their plans by the end of the year, signaling their willingness to participate in ending homelessness.

Any city which chooses to participate in the program receives a percentage of the surcharge and

both cities and counties can retain a portion for administrative costs. The remaining funds must be used for programs directly related to accomplishing the goals outlined in each ten-year plan to reduce homelessness. Funds may be spent for shelter expansion, homeless supportive services, eviction prevention programs, and supportive and transitional housing.

The remaining 40% stays with the state for a Homeless Grant Assistance Program. This Program is administered by the Department of Community, Trade and Economic Development. The Department must create a state homeless housing strategic plan, conduct an annual homeless census, create a data management and tracking system,



WASHINGTON STATE COALITION FOR THE HOMELESS

*Washington State Coalition for the Homeless enjoyed a record 400 participants, a record number of sponsors, and an overall positive atmosphere of energy and anticipation at this year's conference.*

*continued on page 6*

develop an online information and referral system, provide technical assistance to cities and counties, and oversee the statewide Homeless Housing Program, including annual reports.

The Department must also create a statewide Interagency Council on Homelessness. This Council, appointed by Governor Christine Gregoire, brings together directors of state agencies involved in solving the homeless crisis. In addition, Common Ground receives funds from the Department of Community, Trade and Economic Development to provide technical assistance to counties implementing HB 2163.

The Department of Community, Trade and Economic Development has created a pool of \$8 million to fund several projects, with the goal of underwriting efforts that demonstrate systemic change. Five

*“There’s no county in the state that has less than 65% of its general fund operating dollars going to criminal justice . . . . We have to turn that around . . . . The ultimate thrust of 2163 is performance-based targeting of resources. The Act is very clear that we must place resources where the data is telling us that we’re getting results.”*

Stephen Buxbaum  
Assistant Director  
Housing Division

Department of Community, Trade and  
Economic Development

million comes from the state’s share of collected document recording fees and the other \$3 million comes from HOME funds.

Three distinct project competitions have been established. The Homeless Grant Assistance Program will fund up to four projects in large metropolitan areas; up to three in middle-sized metropolitan areas; and another three in non-metropolitan areas. Only one project application per county is allowed. A sliding scale, ranging from 20% to zero, of the proposed budget for projects must come from local, non-state resources.

Only county governments may apply; however, a city may apply if it sent a resolution to the county’s legislative authority by September 1, 2006, stating its intention to operate a separate homeless housing program. The funds may serve persons who meet the definition of homeless or persons who are at-risk of homelessness, persons who are fleeing domestic or family violence, among others.

Eligible projects must measurably reduce homelessness, demonstrate government cost savings over time, employ evidence-based models or promising approaches, be sustained after HGAP project funding ends, include a strong performance measurement component, be consistent with state and local homeless plans, and be replicable.



*La Salle Hotel, developed by Common Ground, contains 64 units of senior housing, retail and a senior center in King County.*

The Washington State Coalition for the Homeless focused their 16<sup>th</sup> annual conference on county plans set in motion by the Homeless Housing and Assistance Act. Many counties shared the progress they have made through this innovative state homeless trust fund. Some, who began working on their ten-year plans to end homelessness before the 2005 Act was enacted, have already made significant progress in reducing homelessness. The work of Washington Counties and the State to reduce homelessness holds promise for providing many models to be replicated elsewhere.

Contact: Tedd Kelleher, State of Washington, Department of Community, Trade and Economic Development, PO Box 42525, Olympia, WA 98504-2525 (360-725-2930).



# Tucson, Arizona Creates a Housing Trust Fund

Early in October 2006, Tucson, Arizona Mayor Bob Walkup and the City Council established the Tucson Housing Trust Fund. Fees are dedicated to the Fund from the conversion of multi-family rental structures to other uses. The \$100 fee per dwelling unit is paid upon the conversion of any structure that provides four or more separate residential rental units and is to be paid at the time of building permit application, a tentative plat application, or a certificate of occupancy application for the new use, whichever comes first.

In addition, any unexpended funds from a \$1 million Utility Services Department Environmental Services Low Income Assistance Program set-aside will be allocated at the end of the fiscal year to the City's Housing Trust Fund. The City Manager is instructed to include this funding mechanism in future budgets. In addition the sale of city general fund properties will provide additional revenues. The Fund could total as much as \$1 million this fiscal year.

The Fund is administered by the Community Services Department.

The Fund is devoted to providing affordable housing opportunities for low and moderate income households (whose incomes do not exceed the median income). Eligible projects and programs include the development of affordable rental housing, assistance to low and moderate income home buyers, counseling services, assistance to homeowners for home rehabilitation, code compliance housing assistance, and similar programs.

A seven-member Governing Board will be established to review the goals and policies of the Trust Fund and make recommendations to the Mayor and Council; evaluate and provide oversight to the staff managing the Trust Fund; and continue to promote resource development. The Mayor and each member of the Council will make one appointment with representation from each of the following stakeholders: lending institutions, real estate, developers, multi-family housing, manufactured housing, metropolitan housing commission, major employers, and a public sector representative. Once a year, the Community Services

Department is to report on the funds received and expended as well as the activities funded.

Mayor Walkup and the City Council approved the concept of a City of Tucson Housing Trust Fund on January 18, 2006 as part of the Five Year Affordable Housing Strategy. In February, the Mayor and Council approved further discussion of the Trust Fund as part of the budget process. In May, after further discussion of implementation steps, staff was directed to return to the Mayor and Council in the fall with specific mechanisms related to a rental conversion fee and use of certain land sale proceeds, two funding sources that had been identified as "seed funding" for the Fund. The Housing Commission set a goal of a \$3-5 million fund.

The proposed uses of the Fund are to be divided into thirds: home improvements; homeownership, and rental preservation or development, with at least 10% of the funds serving people with special needs. Initial proposed program designs include: low interest home improvement loans; down-payment assistance to first-time homebuyers (including an inducement for builders of subdivisions larger than 25 homes whereby builders would match, up to \$10,000 per unit, to ensure income diversity); assistance to developers of affordable rental housing through low-interest loans; and project delivery and management costs.

Contact: Jack Siry, City of Tucson, Community Services Department, P.O. Box 27210, Tucson, AZ 85726-7210 (520-791-4171).



*Viviendas Asistenciales was developed by the Tucson Community Development/Design Center. It provides housing for elderly and people with disabilities in 31 units around a common courtyard.*

# Philadelphia Housing Trust Fund Awards \$6 Million in its First Request for Proposals

In August 2006, Philadelphia's Mayor John F. Street announced awards of \$6 million from the City's Housing Trust Fund. These are the first awards to be made from the new fund created last year. Fifteen nonprofit development organizations were awarded funding to support nine rental and seven homeownership projects that will produce 465 units of housing throughout Philadelphia.

The Housing Trust Fund was created in 2005 after achieving a three-step process. (1) An amendment to State Act 137 to allow the City to create a housing trust fund. (2) An ordinance of Philadelphia City Council to create a housing trust fund and ask the Mayor to establish an oversight board. The ordinance defines broad categories for the expenditure of funds for various affordable-housing activities. (3) An Executive Order of the Mayor to establish an oversight board and detail how the trust funds will be spent.

The Trust Fund is funded through a surcharge on document recording fees, enabled by the state's Act 137. Philadelphia, both a city and a county, had originally been excluded from the Act and is now enabled to increase its document recording fee for the Fund. It is anticipated that \$10-15 million a year will be generated to support affordable housing.

The Philadelphia Office of Housing and Community Development administers the Housing Trust Fund. A Trust Fund Oversight Board is responsible for studying the housing funding needs of Philadelphia, making recommendations to the Office about types of projects and programs to be funded and additional funding sources, and issuing annual reports on each year's use of the Housing Trust Fund. The Mayor appoints the board's eight members who include four representatives of community development corporations and the housing advocate community and four City officials.

neighborhood-based rental housing. All funding is available to nonprofit organizations or joint ventures in which the nonprofit organization is the controlling partner. Half of the program funds must serve households who earn no more than 30% of the Philadelphia area median income.

The Housing Trust Fund provides gap financing for the development of eligible projects. Funds may be used to support internal rent subsidies to ensure affordability. A minimum of 10% of the total number of new construction units must be accessible to individuals with mobility impairments and a minimum of 2% must be accessible to individuals with sensory impairments. All new construction units must be made visitable or an amount of \$3,000 per total number of new units must be spent to make as many of the units as possible visitable.

Philadelphia's new Housing Trust Fund is the result of a two-year campaign by housing advocates throughout the City. The Philadelphia Association of CDCs, the Philadelphia Affordable Housing Coalition, Philadelphia ACORN, the Eastern Pennsylvania Organizing Project and several local community development corporations led the campaign. Seeing the dollars get out on the street is sweet indeed.

Contact: Rick Sauer, Philadelphia Association of CDCs, 1315 Walnut Street, Suite 1600, Philadelphia, PA 19107 (215-732-5829).

The Request for Proposals made \$1 million available to support neighborhood-based homeownership; another \$1 million for new construction of homeownership opportunities; and the remaining \$4 million to support

COMMUNITY VENTURES



*These 53 new apartments in North Philadelphia were developed by Community Ventures and Susquehanna Avenue Community Development Corporation. Community Ventures received an award for a homeownership project in Franciscville.*



# Joint Hennepin County and City of Minneapolis Commission Recommends a Homeless Trust Fund

The Joint Hennepin County and City of Minneapolis 100 Day Commission to End Homelessness has released a draft recommendation for public comment from its Financing Group that a Hennepin County Homeless Trust Fund be established as part of its 10-Year Plan to End Homelessness. The Commission, with some 70 members, has been meeting with four co-chairs representing key stakeholder groups: city and county government and the faith and business communities: County Commissioner Gail Dorfman; City Council member Gary Schiff; Reverend Jim Gertmenian, Senior Minister of Plymouth Congregational Church; and Mike Ciresi, of Robins, Kaplan, Miller and Ciresi.

The Commission was charged with developing a plan to end homelessness – including but not limited to long-term homelessness -- in Minnesota's largest city and county. With a kick-off event at the Plymouth Congregational Church, support was expressed by Minneapolis Mayor R.T. Rybak and County Commissioner Gail Dorfman, among others.

Then the work of the Joint Hennepin County and City of Minneapolis Commission to End Homelessness was launched. *"We are not coming together to study the issue of homelessness,"* said City-County Homelessness Coordinator Cathy ten Broeke. *"We've done that. We are coming together to create the strategies and tactics to end*

*homelessness."* Housing advocates saw this as a critical opportunity to build on efforts to sustain a local housing trust fund, reaching to house all those in need.

The first recommendation is to support an ongoing, dedicated revenue source for a Hennepin County Homeless Trust Fund. The program would fund capital and operating/rental assistance funding. Potential strategies could include: County and/or City levy funds, document recording fees, condominium conversion fees, hotel/motel tax, real estate transfer tax, parking revenues, surcharge on tickets for sporting events, developer impact fees, demolition permit fees, licensing or franchise surcharges, assessments on General Obligation bonds, housing re-inspection fees, and/or entertainment tax.

The Plan to End Homelessness identifies a \$45 million gap in meeting existing needs of the homeless population in Minneapolis/Hennepin County..

In 2002, the Minneapolis City Council made a \$10 million funding commitment to a local housing trust fund and agreed to have it operative in January of 2003. The fund has been using Community Development Block Grant and HOME funds. In 2006, approximately \$8.9 million has been



*Through "Portraits of Home," an art exhibit sponsored by Greater Minnesota Housing Fund, a team of six photographers has captured how families in greater Minnesota struggle with poor housing conditions, the lack of a home and managing life with few resources.*

made available through the program. Hennepin County created the Affordable Housing Incentive Fund Program to encourage the preservation and/or creation of long-term affordable housing throughout Hennepin County. Over the past six years, \$23.6 million in funding has created or preserved 3,350 housing units (including 2,680 affordable units) and leveraged more than \$470 million in additional public/private financing.

Both funds lack an ongoing dedicated source of public funding. The Metropolitan Interfaith Council on Affordable Housing, along with many other local advocacy groups, are participating in and watching the progress made by the Commission. They are urging progress toward the need for dedicating public revenues to address critical housing needs. The forthcoming recommendations represent a strong step in this direction.

Contact: Joy Sorensen, Metropolitan Interfaith Council on Affordable Housing, 122 West Franklin Avenue, Suite 310, Minneapolis, MN 55404 (612-871-8980).

# Vermont Highlights Housing and Wages

This is the fifth year the Vermont Housing Council and the Vermont Housing Awareness Campaign have released, *“Between a Rock and Hard Place: Housing and Wages in Vermont.”* The report tracks the gap between housing costs and wages—a gap that continued to grow wider in 2005.

The report documents basic facts about Vermont’s housing environment. In 2005, the median purchase price for a home in Vermont rose to \$182,000, an 87% increase since 1996. To purchase that median-priced home, a Vermont household would need an income of approximately \$65,000; 73% of all Vermont households have annual incomes below that figure.

The average Fair Market Rent for a two-bedroom apartment in Vermont reached \$723 in 2005, a 29% increase since 1996. A Vermont household would have to earn \$13.90 per hour, or \$28,903 annually, to afford that Fair Market Rent. At least 56% of Vermont’s non-farm employees—more than 155,000 people—work in

occupations with median wages below that amount.

Added to these needs are an average of 4,000 Vermonters who have relied on homeless shelters each of the past four years—one-fourth of them children.

Vermont’s economy, while growing, is still creating a large number of jobs at the lower end of the pay scale. The top ten occupations with the largest employment in the state employ almost 60,000 Vermonters, or just more than 19% of the workforce. Only two of those job categories had median wages of more than Vermont’s housing wage of \$28,903. Thousands of other Vermonters are filling a lot of important jobs—such as child care workers, EMTs, and nurses’ aides—whose median wages fall below the housing wage.

Housing development is a powerful economic generator and it is becoming clear that a lack of housing affordable to ordinary Vermonters and their families acts as a drag on the state’s

economy. A study released in January by the Vermont Housing Finance Agency, “Housing and the Vermont Economy,” showed that development of 25 modest, new single-family homes would create or support 61 jobs paying more than \$2 million in wages, and would generate more than \$6 million in income for businesses.

A 2005 survey of 108 Vermont employers conducted by the Vermont Housing Finance Agency found:

- 89% described the cost and availability of housing as an obstacle to economic development that needs to be addressed;
- 92% said a shortage of homes for sale and 88% said a shortage of rental housing that are affordable to their employees is a problem;
- 67% said employees have extended commutes because local housing is too expensive and another 49% said that has affected absenteeism, tardiness or early departures; and
- 49% said housing costs had posed problems in their efforts to recruit employees.

VERMONT HOUSING AWARENESS CAMPAIGN



Contact: Vermont Housing Awareness Campaign, c/o Vermont Housing Finance Agency, P.O. Box 408, Burlington, VT 05402-0408 (802-652-3449) [nfo@housingawareness.org](mailto:nfo@housingawareness.org)

*The Vermont Housing Awareness Campaign asked children to draw “what a home means to them.” Twenty-five posters are traveling the state as a testament to the role home plays in the lives of Vermont’s children.*

**Vermont's Housing and Conservation Board** continues to demonstrate the impact a state housing trust fund can have in addressing just these kinds of housing needs. In 2005, investments from the Board will result in 436 affordable homes. The Board was able to commit more than \$6 million in funds to these developments.

Sixty-nine percent of the developments funded in 2005 will add new housing to the market, including 368 new apartments, condominiums and single family homes through new construction and adaptive reuse of existing buildings.

The Board increased the amount of money dedicated to homeownership and raised the amount of subsidy available per home to help lower-income Vermonters break into a rapidly escalating housing market. Funds were provided to develop single family homes and condominiums, for the Homeland program in which buyers select homes available in the marketplace, and for homes built by Habitat for Humanity, high school vocational building trades programs, and incarcerated women.

The Board also made awards to help rebuild after fires in key downtown or village center locations, bringing new life to vacant buildings and renovating dilapidated structures.

The Vermont Housing and Conservation Fund receives revenues from the state's real estate transfer tax. The Fund serves dual purposes of affordable housing and protection of natural areas, recreation lands and historic sites. Its housing programs must serve those who earn no more than 100% of the median income, although the majority of the units funded serve households with incomes between 30-80% of the median. Funds are available to nonprofit housing organizations, although private landlords and homeowners can apply for Lead-Paint Hazard Abatement funds.

The housing programs include:

**The Feasibility Fund** provides grants to pay for predevelopment costs.

**Multi-family Rental Housing** supports acquisition and rehabilitation or new construction of rental housing.

**Service-Supported Housing** works with social service agencies to provide housing with support services for residents.

**Homeownership Programs** include several initiatives that subsidize the costs of single family homes, duplexes, and condominiums; downpayment and closing cost assistance; Habitat for Humanity and Vocational Education grants; and purchase and upgrading of mobile home parks.

**The Transitional Housing Fund** assists organizations working to develop housing for homeless and marginally housed Vermonters.

**Housing for Persons Living with HIV/AIDS** uses federal funds to subsidize housing and meals for this population.

**The Lead Paint Hazard Abatement Fund** provides funds and services to reduce lead hazards.

Because the Vermont Legislature encouraged the Board to focus on the need for transitional housing, since that time, eight communities have successfully used a new Vermont and Housing Conservation Board fund to create 45 units of transitional housing with services.

Contact: Polly Nichol, Vermont Housing & Conservation Board, 249 State Street, Montpelier, VT 05602 (802-828-3259) [www.vhcb.org](http://www.vhcb.org).



and supportive housing developers, the Department began issuing two requests for proposals per year.

In the five years since the Fund was revived, the city has committed all of the \$176 million in dedicated revenues deposited into the Fund for the production or preservation of more than 5,000 units of affordable housing. The Department also created a \$40 million fast-track affordable housing acquisition loan fund, using \$20 million from the Trust Fund matched by funds from five private lenders.

The Housing Production Trust Fund is overseen by a nine-member Advisory Board. The Advisory Board is appointed by the Mayor and represents residents, developers, advocates and financiers. The Trust Fund is targeted to serve residents with the greatest housing needs: at least 40% of all funds must serve households with incomes at or below 30% of the area median income.

Another 40% must serve households with incomes between 30-50% of the area median income. The remaining 20% may be used to serve families with incomes up to 80% of the area median income. At least half of all funds must produce or preserve rental housing.

In its most recent Request for Proposals, the Department announced the availability of \$45 million (using Community Development Block Grant, the HOME Investment Partnerships, the Housing Production Trust Fund, and the Low Income Housing Tax Credits Program) with an emphasis on elderly housing, special needs housing, preservation of housing affected by expiring federal subsidies, new or substantially rehabilitated housing, homeownership, and community



*The Housing Production Trust Fund helped purchase, renovate and preserve Fairmont I&II, a 218-unit expiring project-based Section 8 property in the Columbia Heights neighborhood.*

facilities serving low and moderate income persons.

It's been said that "success has many parents." Certainly that's been true for Washington, D.C.'s Housing Production Trust Fund, and the District's residents will witness benefits for years to come.

Contact: Robert Pohlman, Coalition for Nonprofit Housing and Economic Development, 1432 U Street, N.W., 1<sup>st</sup> floor annex, Washington, D.C. 20009 (202-745-0902) [www.cnhed.org](http://www.cnhed.org).



**CENTER** *for*  
**COMMUNITY CHANGE**

**Housing Trust Fund Project**

1113 Cougar Court  
Frazier Park, CA 93225

Return Service Requested

Non-profit Org  
U.S. Postage  
PAID  
Permit #1181  
Bakersfield, CA



PRINTED ON RECYCLED PAPER