

Housing Trust Fund Project **NEWS**



A Special Project of the Center for Community Change

Three-year Housing LA Campaign Culminates in Largest City Housing Trust Fund

Los Angeles Mayor James Hahn announced a \$100 million housing trust fund for the City of Los Angeles, the largest housing trust fund in the U.S., culminating a three-year campaign by Housing LA, a broad-based city coalition. The trust fund comes in the form of the baseline budget presented by the Mayor and approved by a City Council resolution.

“We knew we had to broaden the coalition for housing beyond the usual suspects” Jan Breidenbach, SCANPH.

To run the Housing LA campaign, the Southern California Association of Nonprofit Housing expanded from its base of community development corporations to include labor organizations, religious leaders and tenants, all of whom were represented on its 37-member Steering Committee. A twenty-member Honorary Committee, chaired by Cardinal Roger Mahony of the Los

Angeles Archdiocese and Miguel Contreras, Los Angeles Federation of Labor, AFL-CIO, gave visibility and weight to the campaign.

The Los Angeles City Housing Trust Fund will be phased in over three years to account for current economic conditions. Each year thereafter, the Fund will be brought up to the \$100 million, based on what was spent the year before. The sources do not include any new taxes or fees, but are redirections of existing revenue streams and dedication of new funds. These include:

- Increasing redevelopment tax increment set-aside funds;
- Revenue from street furniture advertising (the city sells advertising on bus stops);
- Program income from a variety of sources that previously flowed only to the general fund; and
- Dedicating a portion of tobacco settlement funds, city business tax, and hotel occupancy tax.

The City will appoint an oversight committee and, along with the City’s Housing Department, begin development of the trust fund pro-

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gram. The Fund already contains \$10.5 million which includes: \$5 million from the General Fund, \$5 million from the City’s Business License Tax amnesty program (an idea proposed by the business community for funds which otherwise would have gone to the City’s General Fund), and \$500,000 from the Municipal Finance Fund. It is anticipated that proposed projects al-

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**CENTER for
COMMUNITY CHANGE**

News is published quarterly by the Housing Trust Fund Project, a special 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.

Publications are funded by a grant from the Ahmanson Foundation. For more information or to request technical assistance, please contact:

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FUNDING

Publications are funded by a grant from the Ahmanson Foundation.

SOUTHERN CALIFORNIA ASSOCIATION OF NONPROFIT HOUSING



Heritage Court Apartments is recognized as a vital part of the plan to revitalize Downey's downtown and the City is ready to begin another affordable housing development. Developed by the Los Angeles Community Design Center, half of the units in Heritage Court Apartments are for seniors with incomes below 45% of the area median income.

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ready in the pipeline can easily absorb the existing funds.

Housing LA has outlined several guiding principles for the forthcoming discussions. The focus of the trust fund should be to expand the supply of decent affordable housing for low-income households with a priority for permanent housing. While Housing LA has suggested that 80% of the funds be expended for rental housing and 20% for homeownership, other eligible activities would include preservation of federally assisted housing, acquisition, predevelopment costs, emergency assistance, and abatement of environmental hazards.

Housing LA has outlined that the trust fund would provide rental housing to those earning 80% of the area median income or less and homeownership housing to those earning no more than the area median income. At least half of the funds would go to house those whose incomes are 50% of the area

median income or below. A portion of the fund will support immediate tenant needs. The fund would also serve special populations and give a priority to projects integrating special needs with the general population.

Housing LA also suggested that no more than 10% of the available funds would be spent on administrative costs. Funds could be distributed through a combination of requests for proposals and an open process, with the funding cycles and criteria coordinated with other housing programs.

The Housing LA campaign was well-orchestrated working with events that occurred throughout the three years to propel them towards success. Early in the campaign, Housing LA participated in a city-appointed Affordable Housing Task Force to recommend the \$100 million annual housing trust fund. As a consequence, the goal was bold, public, and justified.

The campaign also focused on mayoral and council elections in June 2001. Believing that candidates are more accessible than elected officials, Housing LA heightened its activities around the elections. Housing LA disseminated 10,000 copies of a Candidate Survey in which all major candidates supported the need for housing production and agreed to a housing trust fund. Housing LA conducted tours for six mayoral candidates and for all contested district candidates enabling them to witness slum housing and model affordable housing projects. Housing LA sponsored or participated in five community candidate forums and secured endorsements for the housing trust fund. Both final mayoral candidates declared that they would establish the fund within six months of their inauguration.

In addition, the campaign incorporated events that focused on key elements of the community. Housing LA hosted “Building Together: Housing/Business Summit” as a

Each week focused on a theme led by a Housing LA partner: tenants, labor, religious, academics. etc.

one-day event focusing on the City’s housing crisis and solutions with a focused discussion on common ground. Housing LA worked with the media, including a tour for the new publisher of the LA Times. When a slum building in the Echo Park neighborhood collapsed, putting more than 35 people in the hospital and killing Juan Francisco Pineda, an immigrant working to

raise two small children, Los Angeles was shocked and coverage of the tragedy appropriately added an emotional force to an already charged issue.

Finally, Housing LA kept its power base in the forefront of the campaign. Housing LA organized weekly lobbying visits to City Hall—each week focused on a theme led by a Housing LA partner: tenants, labor, religious, academics, etc. ACORN sponsored a march and rally with 400 tenants. During the holidays, when Housing LA knew the Mayor’s proposal was forthcoming, the campaign picked up the pace. All the tenant partners met at City Hall to sing Christmas Carols and a “La Posada” (Mexican Christmas celebration where families go door-to-door looking for shelter) for Council members. Housing LA celebrated a “Home for the Holidays” event on the steps of City Hall, with a symbolic building of a house that represented the jobs created by housing production. The major speakers were the building trades and service union representatives.

And it worked. The new Mayor Hahn announced the \$100 million housing trust fund as one of three

priorities. New Council members passed a motion to have city staff explore the revenue sources for a housing trust fund and report back within 90 days. Housing LA had positioned itself as a force to be dealt with and they were invited to participate. Housing LA organized five state legislators (two of whom had been on the City Council) to come to the Council meeting to support the trust fund, demonstrating the campaign’s reach. Housing LA

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Housing LA Steering Committee Members

Enrique Aranda, *Inquilinos Unidos (United Tenants)*
 Kyle Arndt, *Riordan & McKinzie*
 Roberto Barragan, *Valley Economic Development Center*
 Neelura Bell, *Local Initiatives Support Corporation*
 Lou Bernardy, *LA Housing Partnership*
 Jim Blomquist, *Sierra Club*
 Dave Bullock, *SEIU Local 399 AFL-CIO (health care workers)*
 Julie Butcher, *SEIU Local 347 AFL-CIO (city employees)*
 Rev. William Campbell, *African American Clergy
Community & Labor Alliance*
 Martin Schlageter, *Sierra Club*
 Tom Chabolla, *Archdiocese of Los Angeles
Justice & Peace Commission*
 Sr. Diane Donoghue, *Esperanza Community Housing Corporation*
 Peter Dreier, *Urban & Environmental Policy Institute,
Occidental College*
 Bob Erlenbusch, *LA Coalition to End Hunger & Homelessness*
 Tawnya Falkner, *Thomas Safran & Associates*
 Rabbi Harvey Fields, *Wilshire Temple*
 Mike Garcia, *SEIU Local 1877 AFL-CIO (janitors)*
 Jessica Goodheart, *LAANE*
 John Grant, *UFCW, Local 770 AFL-CIO*
 Larry Gross, *Coalition for Economic Survival*
 Robin Hughes, *Los Angeles Community Design Center*
 Mary Ann Jones, *Westside Center for Independent Living*
 Peter Kuhns, *ACORN*
 Victor Ludwig, *LA County Area Agency
on Aging Housing Committee*
 Antonio Manning, *Washington Mutual*
 Angelica Salas, *CHIRLA*
 Tony Salazar, *McCormack Baron Salazar*
 Barbara Sandoval, *Fannie Mae*
 Carla Sanger, *LA’s BEST*
 Amy Schur, *CA ACORN*
 Ann Sewill, *The Enterprise Foundation*
 Sabrina Smith, *AGENDA*
 Jay Stark, *Lee Group*
 James Elmandorf, *Coalition LA*
 Richard Washington, *Retirement Housing Corporation*
 Bill Watanabe, *Little Tokyo Service Center*
 Tracy Zeluff, *SEIU State Council, AFL-CIO*

Washington Advocates Pass Document Recording Fee Bill

Washington housing advocates not only maintained funding for the state's housing trust fund at \$78 million for the biennium this legislative session, but won a major advance with passage of the "document recording fee" bill. HB2060/SB 5936 authorizes an increase of \$10 to the fee currently charged by counties for recording and comes after a decade of working to secure funding for two purposes.

Sixty percent of these new funds will stay with local governments to meet locally identified housing needs and 40% will be used by the State Office of Community Development to support the operations and maintenance of housing for extremely low-income households. The state portion can also be used for shelter, and will be used to ensure the continuance of the state's Emergency Shelter Assistance Program, which had been cut from the state budget.

Estimates are that the new document recording fee will generate nearly \$12 million each year to fund housing for very low-income people.

The fee could generate \$4.7 million each year for operations and maintenance of housing and \$7 million annually for local governments to fund housing assistance for very low income people.

WASHINGTON LOW INCOME HOUSING INSTITUTE



Community Psychiatric Clinic received a 2001 Lilly Reintegration Award for its commitment to develop, build and operate quality, affordable housing. To develop Keystone, a 52-bed facility on the site of an old boarding home in Seattle, CPC partnered with the Seattle Housing Authority and set a new standard for providing quality housing and services for persons with severe psychiatric disabilities.

More than 200 housing and homeless advocates made their way to Olympia for the 8th Annual Housing Advocacy Day, sponsored by the Washington Low Income Housing Network, the Washington Low Income Housing Congress, and the Washington State Coalition for the Homeless. Residents of low-income housing, social service providers, nonprofit housing groups, lenders, local government officials, church members and concerned citizens were in attendance. More than 90 meetings took place between low-income housing advocates and legislators.

In addition to delivering their messages about the importance of affordable low-income housing, the advocates delivered folders to each legislator with information about

affordable housing in their district. They also delivered bags of chocolate covered espresso beans, with a message asking: "Need an economic stimulant?", referring to the way housing construction and preservation creates not only housing, but jobs as well.

The advocates' cause was also helped by a recent report from a Washington State University economist who showed that housing served as an economic stimulus. Commissioned by the State Housing Finance Commission, the study influenced the legislature at a time when very few fiscal bills passed and other programs faced budget cuts.

Impact Capital, a nonprofit supporting the efforts of organizations

throughout Washington to strengthen their communities, provided a grant to pay for the transportation costs of some low-income tenants to participate in Housing Advocacy Day. “It’s great to be able to put my two cents in,” one low-income tenant said.

The Document Recording Fee bill places a surcharge of \$10 for each document recorded, in addition to any other charge authorized by law. Up to 5% of these funds may be retained by the county auditor to administer the collection of the funds. Each month, 40% will be transferred into the state housing trust fund.

The Office of Community Development is to develop guidelines for the use of these funds to support building operation and maintenance costs of housing projects or units within housing projects that are affordable to extremely low-income

“Need an economic stimulant?” Housing advocates delivered bags of chocolate covered espresso beans to legislators, making the point that housing construction and preservation creates not only housing, but jobs as well.

households with incomes at or below 30% of the area median income and that require a supplement to rent income to cover ongoing operating expenses.

The remaining 60% of the revenues generated by the surcharge is to be

retained by the County and deposited into a fund that must be used by the County and its cities and towns for housing projects or units within housing projects that are affordable to very low-income persons with incomes at or below 50% of the area median income. These funds are to be used consistent with countywide and local housing needs and policies. In addition, the funds are not to be used for construction of new housing if the vacancy rate for low-income housing within the county rises above 10%.

The local funds can be used for acquisition, construction, or rehabilitation of housing; support of building operation and maintenance costs of housing; rental assistance vouchers; and operating costs for emergency shelters and licensed overnight youth shelters.

Housing advocates also won approximately \$400,000 each year for relocation assistance of mobile home park tenants whose parks close, through a \$100 fee on the sale of mobile homes within parks.

The Washington Housing Trust Fund had \$73 million for affordable housing efforts during the 2001-2003 biennium. The appropriation is financed by the sale of capital bonds. These funds include: \$8 million for seasonal and year round housing for farmworkers; \$5 million for emergency and transitional housing for homeless families with children; \$5 million for housing for developmentally disabled; \$2 million for self-help home ownership; and \$1 million for survivors of domestic violence.

The balance, \$52 million, provides funds for affordable housing and

weatherization programs, including \$43 million for acquisition, construction and rehabilitation of housing for those earning less than 80% of area median income. The final \$9 million will be used for the Energy Matchmakers Program to make housing more affordable through energy conservation measures.

During the last biennium, the state’s housing trust fund provided 4,126 units of needed housing throughout the state. ■

Contact: John Shaw, Washington Low Income Housing Network, 1000 Eighth Avenue, Suite 105, Seattle, WA 98104 (206-442-9455).

Washington’s Housing Trust Funds

In addition to the Washington Housing Trust Fund, housing trust funds exist in Seattle, King County, and the regional Eastside Housing Trust Fund operated by ARCH in King County.

Seattle has funded an Operating and Maintenance Fund as part of its Housing Levy Program. The fund was established to ensure that a portion of the rental production program housing was affordable to extremely low income households, those with incomes at or below 30% of the median income. Funds can be used to support service costs directly related to serving persons in the building; on-site salaries and benefits; off-site management; financial audits; administrative expenses; on-going maintenance expenses; long-term maintenance; project paid utilities; maintenance reserve additions; and operating reserve additions.

Sonoma County, California and Cities Join to Study Linkage Program

Sonoma County, California and several cities within the County are taking the first steps toward adoption of a linkage program that would be implemented county-wide to provide funds for affordable housing. A draft report of the Sonoma County Jobs/Housing Linkage Fee Study, prepared by Economic & Planning Systems, Inc., was completed in January of this year and is being presented to City Council meetings throughout the County this spring.

The study is necessary to document the impact of new development on the supply of affordable housing in the County. A jobs/housing fee would generate revenue for affordable housing production based on the nexus between the increase in jobs among various land use types (e.g., office, industrial, or hotel development) and the impact on affordable housing in the County. The study assesses and quantifies these relationships and the resulting fee calculations serve as a starting point for policy discussions regarding the extent to which these fees can and should be used to generate affordable housing production funds.

The study recommends that the linkage fee contribute 10% of the subsidy needed to provide affordable workforce housing.

The study recommends that the jobs/housing linkage fee contribute ten percent of the subsidy needed to provide affordable workforce housing (as calculated over a five year time period). Initially, it is also recommended that the jobs/housing linkage fee be applied to three land use categories: commercial, industrial, and retail. A fee representing ten percent of the needed subsidy would result in the following fees per square foot: \$2.08 per square foot for commercial development; \$2.15 per square foot for industrial development; and \$3.59 per square foot for retail development.

Proposed linkage fees could generate as much as \$35.5 million dollars. Combined with other funding sources, some 1,180 affordable homes could be provided over the next five years.

If employment growth and associated development occur at their projected rates over the next five years, jobs/housing fees at the levels listed above could generate as much as \$35.5 million dollars. These revenues would be combined with other funding sources to construct affordable units. County-wide jobs/housing fees at the levels proposed in the report could generate enough funding to construct as many as 1,180 affordable units over five years.

The Workforce Housing Study grew out of ongoing housing policy development in Sonoma County as

each of the jurisdictions are currently updating their housing elements (required by California law). Specifically, the City of Santa Rosa has been considering a range of options for improving affordable housing production over the past several years, including the creation of a jobs/housing linkage fee. The City Council recognized that such a fee, given the regional nature of jobs and housing distribution in the County, could be both unfair and ineffective if only imposed in one jurisdiction. Thus an effort was undertaken to garner the support of other jurisdictions to study the matter. Each of the cities and the County subse-

quently contributed, on a proportional basis, to funding the study effort.

At the same time private industry and public interest groups joined to create the Sonoma County Housing Coalition, an organization committed to evaluating housing issues and bringing forward new ideas for addressing identified problems. At its convention last summer, the Housing Coalition adopted a policy platform that included a range of approaches for solving the housing problem. One of the approaches suggested was a “housing trust fund,” a pool of funding that would

be created and cooperatively managed to meet housing needs in the County.

The Coalition formed several working committees, including: an Advocacy Committee, a Finance Committee, a Public Policy Committee, and a Land Use Committee. Each developed a set of principles approved at the Convention. The Coalition has a list of nearly 80 participants, including representatives from businesses, unions, faith based organizations, nonprofit developers, public employee associations, foundations, and many others.

The Study also assesses the hous-

ing situation in Sonoma County and offers policy options for implementing the recommended fee schedule. The study notes that Sonoma County is unique in the Bay Area region in that the labor force is highly self contained. Most jobs in the County are held by residents of the County and most County residents work within the County. Commuting into or out of the County, as a percentage of the total workforce, is relatively minor; however, commuting across jurisdictions within the County is common. Housing in Sonoma County has become significantly more expensive in recent years, with every jurisdiction showing similar increases

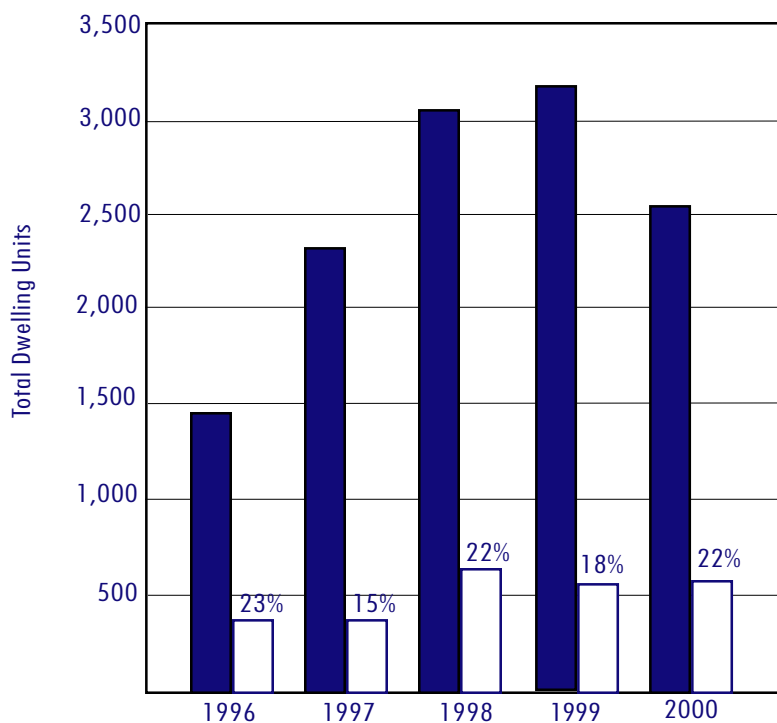
in housing prices. The median price of a home in Sonoma County exceeded \$300,000 in 2001. Job growth outpaced housing production—with employment growing by 19.3% and housing units increasing by 13.7%. A very high proportion of future job growth in the County is expected to occur in relatively low-paying jobs. The great majority of new households in Sonoma County associated with this employment growth will not be able to afford to buy a median priced home.

The report notes that the financial difficulty of buying or renting a home in Sonoma County will cause employers to pay higher wages and/or cause employees to suffer a housing cost burden, live in overcrowded conditions to save money, or commute from outside Sonoma County and thus increase congestion on Sonoma County roads. High housing prices and the unavailability of affordable housing options could reduce the attractiveness of Sonoma County to potential employers, weakening economic development and job opportunities for the County's residents.

This collaborative effort between the cities and County government of Sonoma to address the complex problem of providing workforce housing is unique and is strengthened with employers willing to examine how they might contribute. It is hoped that through this cooperative initiative more effective, regional strategies will be developed and implemented to address the County's critical housing needs. ■

Contact: Santa Rosa Chamber of Commerce, 637 First Street, Santa Rosa, CA 95404 (707-545-1414) www.santarosachamber.com.

Affordable Housing Production in Sonoma County vs. Total Residential Construction 1996-2000



SOURCE: SONOMA COUNTY WORKFORCE HOUSING LINKAGE FEE STUDY, ECONOMIC & PLANNING SYSTEMS, INC.

Bainbridge Island, Washington's Housing Trust Fund Supports Independent Living Program

Bainbridge Island, Washington—a ferry ride across Puget Sound from Seattle—created its Housing Trust Fund in May of 1999. Its primary focus is to attract projects and partnerships that provide solutions to the city's need for affordable housing. Its support of the Independent Living Program is an excellent example of what a small housing trust fund can accomplish.

The Trust Fund received approximately \$123,800 in 2001 from private contributions of cash and in-kind donations from businesses and individuals; city matching funds; the city's current expense fund; and interest income. In 2001, the trust fund leveraged its available funds

1:22 with other public and private funds. This year, the trust fund will have another \$100,000 to spend.

Proposals submitted to the trust fund are evaluated for their consistency with the city's Comprehensive Plan. The Housing Trust Fund provides assistance to nonprofit organizations, for-profit developers, public housing authorities, public development authorities, and partnerships between any of these eligible applicants. Trust fund dollars may be used to acquire real property, construct housing or rehabilitate existing structures. The funds must be used to assist projects benefiting households with incomes at or below 80% of the median income for the County. Funds can be

Bainbridge Island has been able to leverage its housing trust fund dollars 1:22 with other public and private funds.

awarded as a grant, a deferred loan or as an amortized loan.

Administration of the Housing Trust Fund involves several Bainbridge Island agencies. The Health, Housing and Human Services Council is charged with conducting community needs assessment and establishing priorities for the Housing Trust Fund. HHSC also appoints a seven-member Community Advisory Board. The Community Advisory Board includes community members with housing expertise. The Board reviews and evaluates housing proposals and makes recommendations to the Housing Trust Fund's Executive Committee.

The Executive Committee is made up of a City Council member, the Mayor, the City Administrator, a citizen at large, and the Development Consultant. The Committee establishes rules for the trust fund and reviews the recommendations from the Community Advisory Board and makes recommendations to City Council which has final decision making authority on the expenditure of Housing Trust Fund revenues. The City's Housing Planner and Development Consultant

BAINBRIDGE ISLAND HOUSING RESOURCES BOARD



Jim enjoys his new lower kitchen countertop and cooking service to fix meals for his son, Shawn. Modifications were made possible through funds to the Independent Living Program operated by the Housing Resources Board in Bainbridge Island.

provides technical support to the process.

2001 was the first full year of operation of the fund. In all, 43 units of housing were supported, including: ten units of transitional housing, eleven units of new and preserved single family homes and, twenty-two rental units.

An island-wide needs assessment conducted in 2001 determined that more than 200 low-income families and individuals needed modifications to make their homes safer and barrier-free.

Among the projects funded was Habitat for Humanity who received \$75,000 to help acquire three Bainbridge Island lots for constructing new homes. Another home—the Sadie Woodman House built in 1904—was slated for demolition, but with support from the City and the Housing Trust Fund was moved and after hours of volunteer help was renovated and ready for occupancy.

Housing Resources Board has also received funding for their Independent Living Program from the City's Housing Trust Fund. An island-wide needs assessment conducted in 2001 determined that more than 200 low-income families and individuals needed modifications to make their homes safer and barrier-free. The Independent Living Program was created to address these needs by preserving or extending the independence of these

households.

During the first year of the Housing Trust Fund, revenues were used to support the Independent Living Program enabling it to complete ten home modifications, known as Islandhome. Enhanced with U.S. Department of Agriculture funds and in-kind donations, the Housing Resources Board preserved eight existing single-family homes and two rental units serving low-income residents. In some cases the work was health and safety repairs for disabled individuals while in others a bathroom or kitchen was modified to suit a family member's special needs.

A core issue of the Independent Living Program is understanding the difference between impairment and disability. Disability is the degree of environmental barrier that an individual has to cope with. One may not be able to change the impairment, but one can substantially reduce the disability.

Shown here is an example of work completed by the Independent Living Program. Jim is the sole caregiver to his son Shawn and needed their kitchen to be more accessible. Lowering the kitchen countertop and cooking surface allows Jim to prepare foods and cook with increased ease and safety.

Other modifications included installation of stairwell handrails and bathroom shower grab bars ensuring that residents coping with disabilities can stay in their homes and maintain their independence.

Islandhome families work directly with Helpline in a two-year program called "Stepping Stones"

where every family receives a wide range of education and counseling services tailored to each family's needs. The Trust Fund supported a new staff person to facilitate families moving to greater sufficiency and independence. One of their clients moved into the Sadie Woodman House.

Villagehome is a very low-income development also built by the Housing Resources Board in 1998. These 11-studio apartments are above commercial spaces. The Trust Fund provided a loan to Housing Resources Board enabling it to renegotiate financing to ensure long-term viability of Villagehome.

The initiation and development of the Independent Living Program has involved most of the churches and community organizations on the Island. Initial donations of time and materials came from contractors on the island who wanted to help. The U.S. Department of Agriculture has been supportive of the program and helped pay for some modifications.

The Independent Living Program clearly demonstrates the significant impact even a small program can have for residents of the community—using housing trust fund dollars in a targeted and focused way.

Contact: Bill Reddy, City of Bainbridge Island, Housing Resources Board, P.O. Box 11391, Bainbridge Island, WA 98110 (206-842-1909).

California Legislature Passes Bill to Place \$2.1 Billion Housing Bond on November Ballot: Includes Incentive Funds for Local Housing Trust Funds

The California legislature has passed a bill that would place a \$2.1 billion bond issue to support affordable housing before the voters next November. While the range of housing programs the bond measure would support is impressive, what is unique about this bill is a provision that provides incentive funds for existing and new housing trust funds in the state.

S.B. 1227, introduced by John Burton (D-San Francisco), the Housing and Emergency Shelter Trust Fund Act of 2002 would set aside \$25 million as matching grants to local housing trust funds pursuant to enabling legislation.

Remaining funds in the bond bill would be allocated as follows:

- \$910 million to provide loans for new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households, including \$15 million for student housing at California Universities. This includes the \$25 million for support of local housing trust funds.
- \$195 million for the Emer-

gency Housing Assistance Program, which provides grants to finance emergency shelters for homeless families.

- \$195 million for supportive housing, which helps low-income families and adults with disabilities, transition from shelters to communities linked to nearby health and employment services.

- \$200 million for farm worker housing, which provides grants for any construction related costs in the development of housing for agricultural workers, including \$25 million for migrant farmworker housing.

- \$200 million for the CalHome program, which helps low income households become homeowners with downpayment assistance, home rehabilitation counseling and technical assistance.

- \$290 million for the California Homebuyer Downpayment Assistance Program. A special focus is on downpayment assistance to teachers.

- \$100 million for Jobs-Housing Balance Incentive Program, which would provide funding to local governments that issue permits for housing, with added incentives for affordable housing.

- \$5 million for Code Enforcement, which will provide grants to cities and counties to improve building code enforcement activities, among other activities.

The \$2.1 billion bond



ECUMENICAL ASSOCIATION FOR HOUSING

These 140 apartments were built by the Ecumenical Association for Housing on the long-vacant Sears site in San Jose's mixed-use neighborhood. The apartments are available for very-low income seniors and include multiple community rooms and a computer learning center.

issue will be the largest housing bond placed before California voters in history. It dwarfs a \$600 million bond that voters approved in the late 1980s and 1990, the last time a housing bond issue was put on the ballot. The bill is now before Governor Davis, who is expected to sign it.

The bill was co-sponsored by Housing California, the Western Center on Law and Poverty, and the California Rural Legal Assistance Foundation. ■

Contact: Julie Snyder, Housing California, 926 J Street, Suite 1400, Sacramento, CA 95814 (916-447-1867).

California Housing Trust Funds

Alameda County	Palo Alto
Berkeley	Sacramento City/County
Cupertino	San Diego
Los Angeles	San Francisco
Menlo Park	Santa Clara County
Morgan Hill	Santa Monica
Napa County	West Hollywood

Study Released on Housing Trust Funds for Local Governments in Georgia

The State of Georgia has been handed an invaluable resource in the publication of “*Housing Trust Funds for Local Governments in Georgia*,” by Frank S. Alexander. The study came out of efforts to explore the potential for creating housing trust funds in Georgia. Faced with the limitations of Georgia law that seemingly made housing trust funds out of reach, progress was stymied. This study, however, clarifies the issues and lays out the options available to local jurisdictions in Georgia that would like to create local housing trust funds.

Georgia’s legal history is a complex story of the shifting balance of power and authority between state and local governments. Historically, local governments have relied on limited authority granted to them by the General Assembly. Georgia’s near bankruptcy after the Great Depression led to constitutional prohibitions against dedicating taxes or revenues for any particular function.

Georgia presently has a State Hous-

The report concludes that there is ample legal authority for local governments in Georgia to create dedicated housing trust funds for their jurisdictions.

ing Trust Fund for the Homeless, created in 1988. The Fund’s resources have primarily consisted of annual appropriations of some \$3.3 million by the General Assembly

each year. These funds are used to provide state matching funds for federal homeless assistance grants and to provide development subsidies in conjunction with other state and federal programs. No city or county has created a housing trust fund in the state.

The report concludes that there is ample legal authority for local governments in Georgia to create dedicated housing trust funds for their jurisdictions. In the event that a local government would want to create a new source of revenue that is dedicated to such a trust fund, additional state enabling legislation would be required.

More specifically, the report finds that local governments in Georgia appear to have adequate discretionary authority to create a housing trust fund as a special revenue fund within their system of budgets and accounts. Certain funds that are in the jurisdiction’s control could be allocated to the trust fund, but there are significant legal issues with providing a revenue stream for such a fund. Development or housing impact fees are a common dedicated revenue source for affordable housing trust funds, and other often-used sources of funds include the real estate transfer tax or mortgage recording tax. All of these are unavailable to Georgia local govern-



ments, under current state law.

The report suggests that armed with an understanding of the legal issues, local governments in Georgia interested in establishing a housing trust fund face four strategic choices:

- Whether to undertake local initiatives or to seek statutory changes by the Georgia General Assembly to provide a wide range of options—or both.
- How to identify sources and types of funds within the sole control of the local government that could be transferred to a dedicated trust fund.
- Whether, and how, to seek new dedicated sources of revenue for a housing trust fund.
- How to administer and govern a housing trust fund.

The report further outlines the range of activities that local governments could undertake in creating

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packed the hearing on the staff report, with business and media support. Housing LA was asked to review the Mayor's proposal before it was made public.

At the press conference held by Mayor Hahn announcing the proposal, the Mayor gave full credit to Housing LA for the campaign. This remarkable victory for Housing LA demonstrates the power of a campaign that has a broad base, recognizes the wisdom of focusing on the goal, and worked the opportunities to exert their power in directed and specific ways. Congratulations LA! ■

Contact: Jan Breidenbach, Southern California Association of Nonprofit Housing, 3345 Wilshire Blvd., Suite 1005, Los Angeles, CA 90010 (213-480-1249).

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a housing trust fund without the need for further action by the General Assembly.

Presently, local governments in Georgia have the legal authority to create a housing trust fund as a special revenue fund and can transfer to such a restricted fund nontax revenues such as grant funds received from the federal or state government, or the proceeds from the sale of excess public property.

However, to create a dedicated source of new tax revenues for a housing trust fund, the General Assembly would need to pass enabling legislation. Mr. Alexander suggests three most promising options: create a local option increase in the real

estate transfer tax, to broaden the permissible range and scope of development impact fees, and to provide that financing in tax allocation districts include costs related to affordable housing. All three approaches could be authorized by the General Assembly without the need for statewide constitutional amendments.

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To obtain a copy of the report, contact: Fannie Mae Foundation, 4000 Wisconsin Avenue, N.W., North Tower, Suite One, Washington, D.C. 20016 [fmfpubs@fanniemaefoundation.org].



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