

Housing Trust Fund Project NEWS

A Special Project of the Center for Community Change

Michigan Organizing Project Sponsors Affordable Housing Trust Fund Campaign in Kalamazoo

The Michigan Organizing Project in Kalamazoo, Michigan is spearheading an Affordable Housing Trust Fund campaign. The goal of the campaign is to build at least 1,000 permanently affordable scattered-site homes by 2010 for low-income residents of Kalamazoo. The campaign is working to identify and dedicate public dollars to make the Affordable Housing Trust Fund a reality with a commitment of at least \$2 million a year.

The Michigan Organizing Project (part of the DART network) has traditionally acted as a faith-based community organizing effort. MOP's work in Kalamazoo also includes individual poor people, including homeless residents of Kalamazoo. The Kalamazoo Homeless Action Network is a new direct action group organized by

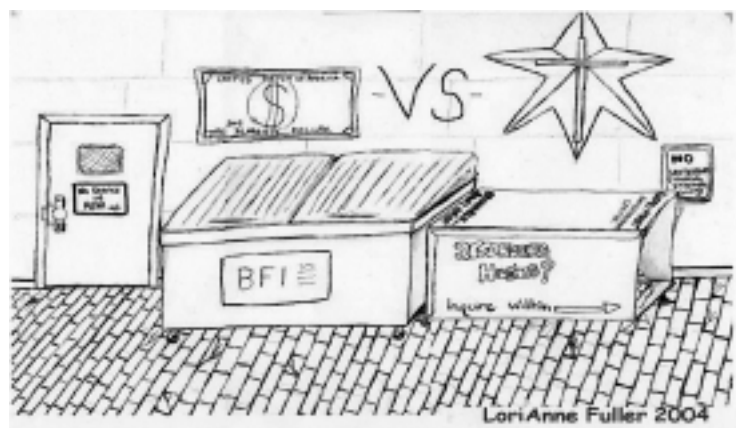
MOP. A network of seven churches and two homeless shelters are involved in the Affordable Housing Trust Fund campaign.

In October of 2003, the Michigan Organizing Project published the report, "No Place Called Home" which highlighted findings of the National Low Income Housing Coalition's "Out of Reach 2003" findings for Kalamazoo. In addition, the report cites the findings of a survey of 202 low income Kalamazoo residents by the Western Michigan University faculty for

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This drawing was commissioned from Lori Anne Fuller, a leader with the Michigan Organizing Project, for News from the Housing Trust Fund Project.

Southern Housing Trust Fund Workshop
JUNE 6, 2004
Atlanta, Georgia
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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.

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

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the Community Action Bureau. High housing costs were cited as one of the primary reasons for poverty in Kalamazoo. Four in ten people surveyed had not been able to pay rent at least once in the past year.

On June 20, 2003, a Sunday night, a count of people in Kalamazoo homeless shelters found 329 homeless people and police counted 34 more outside in the streets and parks—double the number only four years ago. The City of Kalamazoo Consolidated Plan says that 4,000 low income renter households in the city are paying more than half of their income for housing.

The campaign is proposing that the City create an Affordable Housing Trust Fund. With a primary goal of adding permanently affordable homes for low-income people, the campaign is pushing for other reforms. Reflecting the experiences and concerns of those involved in the campaign, the mission is also to bring housing justice to individuals and families living with incomes at or below 60% of the area median income.

The Campaign is proposing that affordable housing support the dignity of the people who live in it. All units of housing built through the Affordable Housing Trust Fund should follow basic rules of housing justice:

- No credit checks;
- No application fees;



Michigan Organizing Project members at a City Commission meeting.

- Affordable deposits (not to exceed \$100);
- All people will have written, enforceable leases;
- Criminal background will not bar most applicants;
- Unrelated people can live together, if they choose; and
- Housing will be built in all neighborhoods.

The Affordable Housing Trust Fund will be targeted to address the most critical housing needs in Kalamazoo and will be divided equally to serve four beneficiary populations: those earning 0-10% of the area median income; 11-20% of area median income; 21-40% of area median income and 41-60% of area median income.

Last November, the Affordable Housing Trust Fund campaign jammed Kalamazoo City Hall with more than 150 people in a standing-room only session to urge city officials to create the trust fund. MOP announced their initiative during the summer of 2003 with a press conference in a vacant lot where a 10-year old child died in a house

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FUNDING

Publications are funded by a grant from the Ahmanson Foundation.

Long Beach Housing Trust Fund Coalition Urges City to Adopt Housing Trust Fund

The City of Long Beach is considering the creation of local housing trust fund in conjunction with the adoption of an inclusionary zoning ordinance and a commercial linkage impact fee ordinance. The Long Beach Housing Trust Fund Coalition has come together both to support the City's initiative, but also to ensure that the trust fund is effective in addressing the City's most critical housing needs.

The Long Beach Housing Trust Fund Coalition is a group of local community-based organizations, religious organizations, and community members that have already secured more than one hundred endorsements for their position statement. The Coalition held a public forum to discuss housing needs in Long Beach and the need for the housing trust fund. They have been featured on a local radio program; participated in the League of Women Voters Public Forum on Affordable Housing; have met with most City Council members; publicized their position statement, including information about inclusionary zoning and commercial linkage fees; created an on-line presence to provide information; and have met numerous times with City staff.

Nearly one-fourth of Long Beach renters spend more than half of their income on rent. And Long Beach has the lowest vacancy rate in Los Angeles County, hovering at 3.7% and expected to drop to 3% in 2004. One-fifth of Long Beach



Atlantic Villas is an example of affordable housing in Long Beach.

renters live in overcrowded conditions. The goal of the Coalition is to persuade the City to create a housing trust fund to increase opportunities for Long Beach residents to have safe, decent, affordable and accessible housing. The City currently spends about \$11 million a year to support affordable housing initiatives ... the Coalition is asking that these funds be tripled to \$33 million a year to address the critical housing needs that exist.

The Coalition's position statement includes a number of principles important to the adoption of the housing trust fund. These include:

1. The housing trust fund's primary focus should be to increase the production of affordable units.
2. The fund should have permanent, reliable, dedicated, local sources of revenue.
3. The fund should target funds to those who need housing the most.
4. Administrators of the fund should have flexibility to adapt to

changing circumstances and should be held accountable.

To ensure that these basic principles are met, the Coalition is proposing that the following principles be adopted by the City.

I. The housing trust fund serve the most critical housing needs in Long Beach. The trust fund would be required to meet the following targets: 40% for persons at 30% AMI and below; 30% for persons at 50% AMI and below; and 30% for persons at 80% AMI and below.

In order to assist developers in creating housing for extremely low-income persons, the fund should allow for flexible uses, such as operating costs, predevelopment costs, supportive housing services, acquisition of land and buildings, and various types of transitional and permanent housing.

II. The Commercial Linkage Impact Fees adopted should be consis-

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tent with the consultant recommendations. The City of Long Beach paid for a consultant study and analysis of what could reasonably be charged as an impact fee on commercial development to offset the impact new employees have on the housing supply and not negatively impact future development. In accordance with the study, commercial linkage fees should be set at a minimum of \$10.00 per square foot. The entire \$10.00 should be devoted to the Housing Trust Fund.

III. The Inclusionary Zoning Ordinance should allow for meaningful in-lieu fees to be contributed to the housing trust fund. The inclusionary zoning ordinance should incorporate in-lieu fee requirements that adequately compensate what would have happened through meeting the inclusionary set-aside development requirements. In lieu fees must be set at an amount equal to building an affordable unit.

IV. The Inclusionary Zoning Ordinance should ensure that the affordable units provided remain affordable. When affordable homes are provided through the inclusionary zoning ordinance, covenants should be attached so that the units remain affordable for a minimum of 55 years.

V. The Housing Trust Fund should allow for a wide range of eligible activities and eligible applicants to encourage meeting the goals of providing affordable housing to the residents of Long Beach. Activities eligible for funding could include: new construction, adaptive re-use,

Long Beach Housing Trust Fund Coalition	
Association of Patient Advocates	Long Beach Area Coalition for the Homeless
Cambodian Association of America	National Mental Health Association of Greater Los Angeles
Catholic Charities--San Pedro Region	Road to Recovery Homes
Disabled Resource Center	Second Samoan Congregational UCC
Greater Long Beach Interfaith Community Organization	SHARE Center/PSUM Inc.
Livable Places	SCANPH
Long Beach Community Action Network	

rehabilitation, accessibility modifications, preservation of units at risk, relocation assistance, homelessness prevention and emergency rental assistance, predevelopment costs, operating costs, supportive housing services, and acquisition. Applicants eligible for funding could include: non-profit, for-profit and joint venture affordable housing developers; service providers; individuals; or government agencies.

VI. The City must secure additional revenue sources to fully fund the housing trust fund. While inclusionary zoning in-lieu fees and commercial linkage impact fees are important contributions to creating a housing trust fund in Long Beach, they are not sufficient to sustain an effective housing trust fund nor to meet the demand for affordable housing. The City must dedicate additional revenue sources to fully fund the housing trust fund at \$22 million annually by 2006. This would result in tripling the City's current annual housing budget of \$11 million to \$33 million annually. Potential additional revenue sources include:

- Increase in redevelopment set aside money,
- Transient occupancy tax,
- Sale of city owned property,

- Business license fees,
- Program income from repayment of housing loans,
- Property tax from the closure of redevelopment project areas, or
- Real estate transfer tax.

VII. The Long Beach Housing Trust Fund Coalition supports the current proposal of enabling the Long Beach Housing Development Corporation to administer the housing trust fund. However, it is critical to the effective administration of this trust fund that the Corporation's Board's membership be broadened to include low-income renters and housing advocate organizations. The Long Beach Housing Development Corporation should be responsible for providing reports on the activities of the housing trust fund. Administrative costs should not be allowed to exceed a small percentage of housing trust fund revenues in any given year.

The city anticipates considering the proposed ordinances and the housing trust fund later this year. The Coalition continues to build its ranks and exert pressure to win its platform. ■

Contact: Joshua Butler, Disabled Resources Center, 2730 E. Spring Street, #100, Long Beach, CA 90806 (562-427-1000).

Montgomery County, Maryland's Housing Initiative Program Secures Dedicated Revenue

Montgomery County, Maryland's Housing Initiative Fund was created in 1988, making it one of the earliest housing trust funds in the country. And while the Housing Initiative Fund has received funding from several sources, fluctuating year to year, in 2003 the County Council approved a dedicated revenue source. The Housing Initiative Fund will receive 2.5% of the County's property taxes (or \$16.1 million) whichever is greater, on an annual basis.

The commitment of a dedicated source of public revenue to the Housing Initiative Fund comes at a time when the County both recognizes the housing needs that exist and acknowledges the impact of the Housing Initiative Fund. Because it is the County's most creative and flexible program, funds can be used to address the need for housing choices to fit the County's diverse population. The County notes that from 1999 to 2003, funding went from \$7.7 million to \$18.5 million. With funding levels varying tre-

mendously from year to year, it was extremely difficult to commit to multi-year large-scale projects. Now, housing staff will be able to engage in long-range planning.

In Fiscal Year 2003, the Housing Initiative Fund awarded \$17.8 million. These funds will help pay for the improvement of 3,183 homes for 8,275 County residents. Long-term affordability requirements apply to 71% of these homes. Every dollar that the Fund put into housing leveraged an additional \$6.00 in other private and public funding.

The Housing Initiative Fund helps the County meet a number of its housing goals and create affordable housing in a wide variety of areas throughout the County, including:

Renovating distressed properties. In FY03, the Fund helped rehabilitate Winslow House, a 46-unit apartment building in Takoma Park. Another component of the distressed housing initiative is an innovative County program that provides low-interest rehabilitation

loans to encourage owners of small apartment buildings to make important improvements to properties in a targeted neighborhood. In FY03, improvements were made in ten buildings containing 328 apartments.

Preserving housing that could be lost to the affordable housing stock. In FY03, County efforts to preserve federally subsidized, privately owned housing focused on two important efforts: using County resources to convince owners to keep their housing affordable and providing HIF funding to pay for service coordinators to provide important resident services at several properties. The County identified owners of seven privately owned and federally assisted housing units, consisting of 1,047 apartments, who were ready to opt out of the federal program. The County agreed to cover repair costs and rent losses caused by excessive tenant damages, pay for the HUD required market studies, and front the rent money when HUD is late in paying to enable these homes to be saved.

Serving a diversity of County residents—including those with special needs. The Housing Initiative Fund has helped finance the construction of the Gardens of Traville—120 new affordable housing units for the elderly and Hampshire Village and Victory Terrace, providing another 183 units. The County has also supported the Housing Opportunities Commission in renovating public housing units. In addition, the Fund will help open the doors to a County-acquired Econolodge that will provide 40 apartments for single homeless adults and 17 apartments for homeless families. The Fund partners with the County Coalition for the

MONTGOMERY COUNTY



Montgomery County renovation of affordable housing.

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MONTGOMERY COUNTY *(continued from page 5)*

Homeless, the Rock Creek Foundation, and Action in Montgomery to provide services for special populations.

Helping to create mixed-income communities. The County has long supported mixed-income housing through its Moderately Priced Dwelling Unit program. The Fund enabled the County to purchase eight homes being sold after the expiration of the control period, renovate them and sell them to households on the MPDU waiting list. The Fund also assisted in the renovation of an historic 130-unit building that will provide housing for homeless, residents who receive federal assistance, households earning 60% of the area median income, along with market rate units.

Creating new housing opportunities. The Housing Initiative Fund will assist in the renovation of a vacant office building into 180 new units of affordable housing and remove an eyesore from the neighborhood.

Making sure that housing programs build neighborhoods and not just housing units. The

Apartment Assistance Program is a unique partnership between Montgomery County's Department of Housing and Community Affairs and the Montgomery Housing Partnership, a nonprofit that acquires, rehabilitates and provides services at affordable housing developments throughout the County. This multifaceted program includes: seminars and round tables for apartment building owners; a grant program to help defray the cost of lead-based paint testing; and intensive coordination and administrative support for revitalization and cooperative purchasing efforts in targeted neighborhoods. Funds also supported Casa de Maryland, a nonprofit that works to build community across jurisdictional and cultural lines. Casa de Maryland opened a com-



The Housing Initiative Fund helps fund Montgomery Housing Partnership efforts to make apartment buildings feel more like communities. The homework club at Great Hope Homes allows children to focus on their studies as well as develop relationships with their neighbors.

munity center, assessed neighborhood conditions, and developed a tenant education and leadership curriculum focused on the large number of immigrant and low-income tenants in the Long Branch neighborhood. ■

Contact: Stephanie Killian, Montgomery County, Department of Housing and Community Affairs, 100 Maryland Avenue, 4th floor, Rockville, MD 20850 (240-777-3693).



JUNE 9, 2004

Loudermilk Center,
Atlanta, Georgia

\$50.00
Registration by
May 15, 2004

SOUTHERN HOUSING TRUST FUND WORKSHOP

The Housing Trust Fund Project of the Center for Community Change (CCC) is sponsoring a workshop that will **address the needs and concerns** of organizations **considering or pursuing** housing trust funds for their communities. The purpose of the workshop will be to provide **educational and technical training** in the creation of affordable housing trust funds. This workshop will provide an opportunity for housing advocates to **learn about the basics** of creating a housing trust fund and to exchange information with others in the southern states of: **Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.**

To register, email Mary Brooks at Mbrooks@communitychange.org or call 661-245-0318. Registration form is also available at our website www.communitychange.org.

Highland Park, Illinois Housing Trust Fund Issues First Request for Proposals

Highland Park, Illinois' Affordable Housing Trust Fund has issued its first announcement of funding availability. The Trust Fund was passed by the City Council in May 2002 to provide financial support for affordable housing activities that address the needs of low and moderate income households living or working in Highland Park. This announcement of funding availability comes after revenues were sufficient to provide meaningful funding opportunities.

The Housing Commission is contributing \$1 million in seed money for the Trust Fund from a one-time reserve created through the refinancing of a Section 8 building owned by the Commission. Ongoing funding is provided by the City with revenue from demolition permit fees and from a newly adopted local tax on residential demolitions. The tax on demolitions is \$10,000 for single-family homes and \$3,000 per unit for multi-family buildings or \$10,000 whichever is greater. Highland Park has averaged about 40 residential demolitions, annually.

To date the Housing Trust Fund has provided administrative support to the Highland Park Illinois Community Land Trust as well as development support of \$335,000 to assist in the creation of six, three-bedroom townhouses for low and moderate income families.

In addition, Highland Park has just passed an inclusionary zoning ordi-

nance that requires 20% of the units in developments with five or more residential units be set aside for affordable rental or for-sale housing. For single family detached developments of less than 20 dwellings, developers may pay an in-lieu fee that will be designated for the Affordable Housing Trust Fund. The ordinance allows \$100,000 per unit in-lieu fee payments for some or all of the required affordable units.

To mitigate costs of compliance with the inclusionary ordinance, developers may take advantage of density bonuses and other cost savings, such as: waiving fees for applications, building permits, impact fees on affordable units and expedited plan reviews.

Half of the affordable for-sale units must be affordable to households earning no more than 80% of the area median income and the remainder affordable to up to 120% of area median income. One-third of rental affordable units are to be affordable to households earning no more than 50% of the area median income; one-third to households with incomes between 51-80%; and no more than one-third to those between 81-120% of area median income. Affordability is defined as 30% of a household's gross income. For-sale affordable homes must remain affordable in perpetuity and rental units for 25 years.

The Affordable Housing Trust Fund is administered by the City's Housing Commission. The Housing Commission is assisted by a seven-member Advisory Committee, appointed by the Mayor, with the advice and consent of the City Council. The Advisory Committee serves as a recommending body to the Commission on all aspects of



CITY OF HIGHLAND PARK

These new homes in Highland Park, will sell for \$130,000-\$200,000, in comparison to the 2002 median sales prices of \$550,000 for newly constructed market rate condominiums.

the trust fund programs and operations.

The Affordable Housing Trust Fund will primarily fund affordable housing development. Eligible applicants listed in the notice of funding availability include: nonprofit and for-profit developers, owners or operators of housing developments, and units of government. Eligible activities include: new construction, rehabilitation, acquisition, and adaptive reuse. Priority is given to proposals for rental housing, for housing that benefits families with

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HIGHLAND PARK *(continued from page 7)*

children, and proposals that exceed the minimum affordability requirements.

The trust fund will support housing that serves up to median income households, but there is an emphasis on serving households that make no more than 80% of the area median income. Priority will also be given to persons that live and work in Highland Park. For-sale units must remain affordable in perpetuity or as long as is legally permissible and rental units must remain affordable for 25 years, consistent with the inclusionary zoning requirements.

The Affordable Housing Trust Fund was one of the key recommendations in the City's Affordable

Housing Plan, which was adopted as an element of the city's updated comprehensive Master Plan in January 2001. The Affordable Housing Plan was developed in response to resident concerns that housing market trends—including rising land and housing costs and a loss of affordable units over the years—are threatening Highland Park's diversity, changing neighborhood character, and severely limiting housing options for a broad range of individuals and families currently living and working in the community.

The limited availability of modestly priced housing impacts the ability of local employers—including the City, school districts, other governmental agencies, health care and

other service providers, and downtown businesses—to attract and retain employees. In addition, the large number of workers commuting in and out of Highland Park results in increased traffic congestion.

As a source of funding for affordable housing activities in the community, the Affordable Housing Trust Fund will provide critical gap financing essential to starting or completing affordable housing development. It will also be an important catalyst to leverage funding from other public and private sources, maximizing the City's investment. ■

Contact: Lee Smith, City of Highland Park, Community Development Department, 1150 Half Day Road, Highland Park, IL 60035 (847-926-1612) www.cityhpil.com.

Iowa Housing Trust Fund Supports Local Housing Trust Fund Efforts

The Iowa Finance Authority has awarded \$1,775,000 through the Housing Trust Fund bill passed by the Iowa Legislature last year to support local housing trust funds.

The Housing Trust Fund bill enabled an appropriation of \$800,000 from the Rebuild Iowa Infrastructure Fund to which the Iowa Finance Authority added \$1,520,000 of its assets under the State's Housing Assistance Fund. An additional \$400,000 was available under the Iowa Department of Economic Development.

The State Housing Trust Fund contains two programs: the Local Housing Trust Fund Program and the Project-Based Housing program. The two programs share similar goals and objectives.

The Local Housing Trust Fund Program provides financial assistance to local housing trust funds in order that they might provide additional affordable single family or rental housing (production or rehabilitation), infrastructure, transitional housing, homeless shelters and capacity building as well as other purposes that promote the

goals of the state fund. The Project-Based Housing Program assists by funding the development and preservation of affordable single and multi-family housing units.

Twenty-one applications were received requesting a total of \$4,157,164. Nine applications submitted requests to the Local Housing Trust Fund and twelve applied for funding under the Project-Based Housing Program.

The Local Housing Trust Fund Program guidelines called for a one-fourth local match and an approved

Iowa Grant Recipients -- a Few Examples

Housing Assistance Plan, among other requirements. The local match could include contributions by local governmental units, local or regional agencies, public or private. The Housing Assistance Plan is to define the geographic area to be served and is required to address the housing needs of selected neighborhoods as well as the continuum of housing needs from the homeless, transitional, and rental to ownership. Grantees will have up to two years to expend all funds received from the Fund.

To be eligible for the Local Housing Trust Fund Program, the applicant must have a local governing board recognized by the city, county, council of governments, or regional officials as the board responsible for coordinating local housing programs; sufficient administrative capacity; and meet certain organizational requirements. Forty percent of the funds must be targeted to serve extremely low income people.

Cities, counties, nonprofit housing organizations, for-profit housing development organizations, recognized neighborhood associations, economic development organizations, homeless services providers, transitional housing providers, and domestic violence shelters are eligible for the Project-Based Housing Program. The proposed project must serve low income households (earning 80% or less of the area median income), provide a 10% match, result in new housing and cannot be in areas served by a local housing trust fund. ■

Contact: Loyd Ogle, Iowa Finance Authority, 100 East Grant Avenue, Suite 250, Des Moines, IA 50309 (515-242-4990)

***Dubuque, Iowa** created its housing trust fund several years ago and capitalized the fund through annual allocations of CDBG funds. Additional funds were received from the Federal Home Loan Bank and the State's Local Housing Assistance Program. Over the first ten years of the program, Dubuque funneled more than \$1 million for affordable housing projects.*

The purpose of the trust fund is to collect and disburse revenue to meet the low and moderate income housing needs in the City. The fund provides loans and grants to finance acquisition, rehabilitation or new construction of rental and owner-occupied housing. The fund also supports relocation assistance. A housing committee of the Housing Commission serves as the oversight body.

***Oskaloosa, Iowa** capitalized its housing trust fund with \$835,000 in grants and contributions from local business firms. The program began with grants from the Federal Home Loan Bank of Des Moines Affordable Housing program and a grant from the state's Local Housing Assistance Program.*

The funds are used to support several programs. The trust fund provides low-interest, forgivable loans for the rehabilitation of owner-occupied homes. Loans have been made to more than 100 households. The trust fund also operates a first-time home buyer program that has helped 213 households buy homes. This program provides down payment and closing costs through a no-interest loan that must be matched. The trust fund also offers construction loans at 3% interest and 5% loans for the demolition of dilapidated structures. A rental rehabilitation program is also supported. Finally, the city started a home improvement program that offers prizes to homeowners.

***Scott County, Iowa** Housing Council has a mission to provide the resources for creating housing opportunities that promote economic and community development. The Housing Council serves as the resource development arm of the Quad Cities Housing Cluster. The Quad Cities Housing Cluster is a consortium of bi-state not-for-profit and for-profit housing service providers and developers, lenders, funders, local governments and members of the housing industry.*

The Scott County Housing Council has received more than \$2 million from the state's Local Housing Assistance Program. These funds have leveraged more than \$25 million and provided 330 new and rehabilitated homes. Based upon this success, the Cluster agencies approved a two year strategic plan to produce 122 units of new and rehabilitated housing, assisting 500 households with down payment assistance and other services to maintain home ownership. The total cost of this project is estimated at \$12,925,000. Funds will come from SCHC, the Local Housing Assistance Program, an Economic Development Grant, grants from two riverboat authorities, revolving loan repayments, and the State Housing Trust Fund award.

GRANT RECIPIENTS BY CATEGORY OF FUND

Local Housing Trust Fund

Applicant	Location	Amt. Funded
Duguque Housing Trust Fund	Dubuque	\$100,000
Housing Trust Fund of Johnson County	Johnson County	\$200,000
Scott County Housing Council	Scott County	\$200,000
City of Oskaloosa HTF	Oskaloosa	\$100,000
Polk County Housing Trust Fund	Polk County	\$200,000
Operation Threshold	Black Hawk County	\$100,000
COG Housing, Inc. 6 counties	Western IA	\$100,000
INRHC 6 counties	Eastern IA	\$125,000
Mediapolis Econ. Development Co.	Mediapolis	\$100,000
TOTAL		\$1,225,000

Project-Based Housing Program

Applicant	Location	Amt. Funded
City of Council Bluffs	Council Bluffs	\$200,000
North Iowa Transition Center	Mason City	\$250,000
Forest City Econ. Development Inc.	Forest City	\$100,000
TOTAL		\$550,000

Counties in Washington State Make Use of Funds from State Program

When the Washington legislature passed H.B. 2060 in 2002, estimates were that the increase in the document recording fee would generate \$11.7 million. As of the end of December 2003, \$10,294,318 had been collected with 40% of these funds going to the Operating and Maintenance Fund administered by the state Department of Community, Trade and Economic Development.

The remaining 60% stays with individual counties for use in affordable housing developments serving households earning 50% or less of the area median income. The \$10 recording fee provides a much-needed dedicated revenue source at the state and local level for the development and operation of low income housing.

The Operating and Maintenance Fund is to support building opera-

tion and maintenance costs of housing projects or units within housing projects. The housing must be affordable to extremely low-income households with incomes at or below 30% of the area median income. The housing must also require a supplement to the income generated through the rents charged to cover ongoing operating expenses. Some of the projects that have been funded throughout the state with these funds, include:

- The Urban League of Metropolitan Seattle was awarded up to \$32,000 annually for up to 20 years for the Harder House which offers transitional housing for homeless youth.
- The Housing Authority of Grant County received up to \$50,000 annually for up to 20 years for 30 units of seasonal farmworker housing.

- Salem Arms in Spokane was awarded up to \$6,000 annually for up to 40 years to support eight units of supportive housing to chronically mentally ill persons.

- Group Action for Peninsula People in Gig Harbor received up to \$50,000 annually for up to 20 years to house five developmentally disabled residents with a high level of care.

- The Korean Women's Association received up to \$50,000 annually for up to 20 years to support a new shelter for battered/abused women and children and victims of domestic violence in Tacoma.

- The Metropolitan Development Council was awarded up to \$50,000 annually for up to 20 years to a new project in Tacoma that will provide fifteen units of clean and sober housing for homeless individuals.

More than twenty counties are reportedly developing interlocal agreements and taking steps to administer the funds from H.B. 2060, with others in various stages of planning.

Clark County has been innovative in its use of the recording fee revenue. The Clark County Department of Community Services invited a group of 120 local stakeholders to recommend uses for the new revenue. The advisory group worked with the Housing Review Board and in April, the Clark County Commissioners accepted

VANCOUVER HOUSING AUTHORITY



A portion of Clark County's document recording fee will fund operating and maintenance for YW Housing's shared homes for recently homeless or incarcerated women and their children.

the recommendation of the community stakeholders to use the funding source to meet a combination of local housing needs.

Especially farsighted is the purchase of land for housing production, which links the use of the revenue to growth management planning and helps nonprofits who would otherwise be priced out of those areas.

— Kurt Creager, CEO,
Vancouver Housing Authority.

The use of the funds will include capital funds for transitional and permanent housing; operating funds for shelters, transitional and permanent housing, including rental assistance vouchers to private for-profit and nonprofit housing providers; and land purchase through a local housing bond. Approximately one-third of the available revenue will be used to issue \$2 million in bonds for the purchase of properties to site affordable housing.

King County has included its Housing Opportunity Fund, along with CDBG and HOME funds, as part of its Housing Finance Program. Using real estate excise taxes in the past for the Housing Opportunity Fund, this source was phased out and while the County continued to support the Fund, budget difficulties left it without any appropriated funds in FY2003.

This year, however, the County's

DOWNTOWN ACTION TO SAVE HOUSING



Plum Court is a 66-unit development in Kirkland (King County) sponsored by Downtown Action to Save Housing. It will provide affordable housing for nine people with developmental disabilities.

FY2004 budget allocates \$1 million to be restored to the Housing Opportunity Fund. It is also anticipated that the Fund will receive \$3.8 million from H.B. 2060 funds.

In seven years, the Housing Opportunity Fund has committed approximately \$19.2 million to help create 2,053 units of low-income housing. In King County, the funds must be used to increase the supply of rental housing affordable to low income or special needs households, preserve existing affordable housing, or create home ownership opportunities for low income first-time homebuyers.

In its latest funding round, King County awarded \$9.9 million in low income housing grants and loans to fifteen housing projects that will create or preserve 415 affordable housing units.

The County's new Regional Affordable Housing Program is a partnership with suburban cities and the

City of Seattle using the funds available through H.B. 2060. The housing funded ranges from affordable rental housing for families, individuals and people with special services needs, to transitional housing for homeless families and youth, to home ownership opportunities for first-time homebuyers.

Eighty-three percent of the housing will serve households below 50% of the King County median income. The King County Consortium's Joint Recommendations Committee, comprised of city and county representatives, recommended the projects for funding. ■

Contacts: Kurt Creager, Vancouver Housing Authority, P.O. Box 5000, Vancouver, WA 98666 (360-397-2130) and Linda Peterson or John deChadenes, King County, Housing and Community Development, 821 Second Avenue, Suite 500, Seattle, WA 98104 (206-296-8661).

MICHIGAN ORGANIZING PROJECT continued from page 2

MOP

fire. The home did not have electricity and the landlord did not have an occupancy permit from the city to rent the home to her family.

City-wide discussions of the book, "Nickel and Dime" by Barbara Ehrenreich, have enhanced the campaign enabling residents throughout Kalamazoo to explore the challenges of the working poor.

Working to secure campaign promises through elections for the City Commission, MOP showed up again at a special commission budget meeting with signs saying: "Housing, not Shelters" and "Shelter is not Housing." The Commission said they had not forgotten and that they plan to continue to explore

opportunities to create a housing trust fund. A memo from the City Manager's Office and the Community Planning and Development Director recommends that the City continue to explore the housing trust fund and investigate new sources of revenue that could be committed. The memo states that the fund could be part of the City's new Poverty Initiative or work within the context of Partners Building Community. Funds could be coordinated with CDBG and HOME funds.

But MOP's not finished. The cam-



An example of many homes in Kalamazoo that are vacant and in need of rehabilitation.

campaign continues with future plans for more meetings, continued education, accountability sessions and more. Working to draft a proposed ordinance, MOP is not leaving anything to chance. ■

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