



Housing Trust Funds

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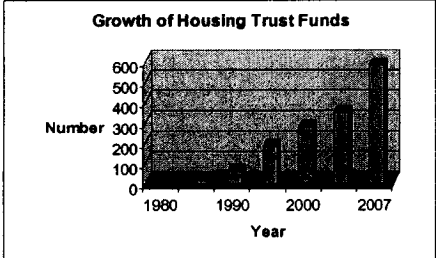


Housing Trust Funds: *advancing how we fund affordable housing*

- Securing dedicated sources of public revenue.
- Committing that revenue to support critical housing needs.



Today ... there are nearly 600 housing trust funds



Year	Number of Funds
1980	~100
1990	~200
2000	~400
2007	~580

How Housing Trust Funds Work

Legislation or Ordinance — Establishes the Housing Trust Fund

Administration Agency or Department Oversight Board

Public Revenue Sources Dedicated to California Housing Trust Funds

- Inclusionary zoning in-lieu fees.
- Linkage ordinance impact/mitigation fees.
- Hotel/motel taxes.
- Redevelopment tax increment set-asides.
- Sale of government owned properties.
- Housing fees; bond fees; condominium conversion fees.
- Growth in real estate transfer tax.
- Loan repayments.

Why Dedicate Public Revenues to Affordable Housing

- Affordable housing is fundamental to the health of any city.
- The private market cannot respond to homes that require subsidies.
- Affordable housing needs are persistent as long as wages continue to lag behind.
- Affordable housing requires long-term planning and investment.

We Need the People Who Need Affordable Housing

- Affordable housing cannot be dependent on budget surpluses.

California Housing Trust Funds Receiving Proposition 46 Support



- Alameda County
- City of Berkeley
- City of Citrus Heights
- City of Livermore
- City of Los Angeles
- Town of Mammoth Lakes
- City of Oxnard
- City of Palo Alto
- City of Pasadena
- City of Sacramento
- City of San Diego
- City of San Jose
- San Mateo County
- Santa Clara County
- City of Santa Cruz
- City of Santa Rosa
- Sonoma County
- City of West Hollywood



California Proposition 1C



- Votes approved in November 2006: \$2.85 billion for affordable housing (GO Bond).

- Follows on the success of Proposition 46: 9,351 supportive homes & shelter beds; 11,081 rental homes; and 16,101 first homes.
- Does not contain matching funds for local housing trust funds, but AB2638 (passed by the legislature) establishes the program administratively.



Housing Trust Funds in California

- Alameda County
- Berkeley
- Citrus Heights
- Corte Madera
- Cupertino
- Elk Grove
- Livermore
- Long Beach
- Los Angeles
- Mammoth Lakes
- Marin County
- Menlo Park
- Napa County
- Oakland
- Oxnard
- Palo Alto
- Pasadena



- Petaluma
- Pleasanton
- Sacramento City/County
- San Diego
- San Francisco
- San Jose
- San Luis Obispo County
- San Mateo County
- Santa Clara County
- Santa Cruz
- Santa Monica
- Santa Rosa
- Sonoma County
- Sunnyvale
- Walnut Creek
- West Hollywood



Santa Rosa Housing Trust Fund



- Commits growth to real estate transfer tax and developer fees. Received Proposition 46 dollars.
- June 2006 released \$19 million Notice of Funding Availability.
- Funds in four areas: affordable housing production; preservation of affordable housing; special needs; and homebuyer finance.
- Last year: Funded 138 new affordable homes and assisted with another 374; rehabilitated 8 units and assisted with another 473; funded a 15-bed facility for persons with special needs and made accessibility modification to 4 homes; and assisted 33 households with homeowner finance.

San Diego Housing Trust Fund



Established in 1990 and collects revenues from a linkage ordinance.



- Prepares three-year plan and allocates funds to: first-time homebuyers, rental housing, rehabilitation, transitional housing & services, special purpose housing, and nonprofit capacity building.
- Has committed nearly \$60 million and leverages \$8 for every \$1 of investment.

Sacramento Housing Trust Funds



- Both City and County commit linkage fees.
- Just increased the fee requirements.
- Nexus supports expenditures for workforce housing.
- Also passed inclusionary zoning ordinance.



In its first ten years of operation, the Funds supported more than 3,000 units of affordable housing.

Housing is good for Local Economy

Local government snippet ...



NAHB documents 1,000 multi-family homes generates 1,000+ full time jobs, \$33.5 million in wages, and \$17.8 million in tax revenues and fees.

The economic impact of Philadelphia's trust fund is expected to reach:

- Nearly 2,600 jobs statewide each year.
- \$80 million in wages every year.
- Increased city and state taxes.

Lee County, Florida documented that the need for more affordable housing costs the County more than \$249 million annually!



Housing is Good for Communities

Education:

- Higher school-mobility rates affect the entire system and cause the most harm to children whose families have low incomes.
- Housing instability can have a direct impact on a child's education.
- Frequent moves can have a negative effect on school achievement.

Health:

- Pest infestation is known to cause asthma.
- Substandard electrical problems are a danger to children.
- Lead poisoning leads to a decrease in IQs.
- Children living in inadequate housing have increased hospitalizations and respiratory infections.



In a nearly 30 year history with housing trust funds ...

- More than \$1.6 billion each year is committed to affordable housing.
- Housing trust funds have produced *hundreds of thousands* of affordable homes.