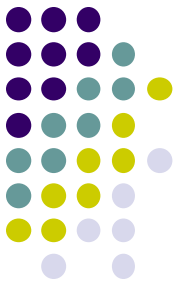




CENTER *for*
COMMUNITY CHANGE



Funding Housing at a Local Level:

Creating a Housing Trust Fund for Cincinnati

June 13, 2017

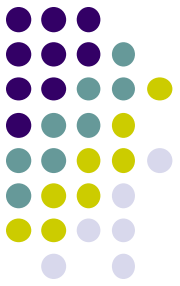


What is 'Home'





CENTER *for*
COMMUNITY CHANGE

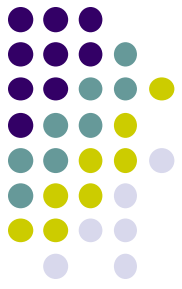


Housing Trust Fund Project

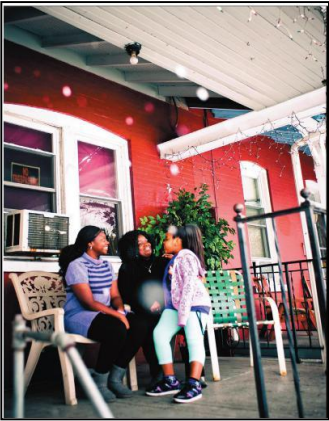


We work with state and local partners to create, protect and expand housing trust funds





Housing Trust Funds ... advancing how we fund affordable housing



The moment is now



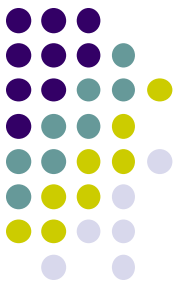
BALLOT

1. YES

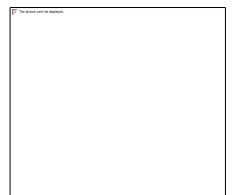
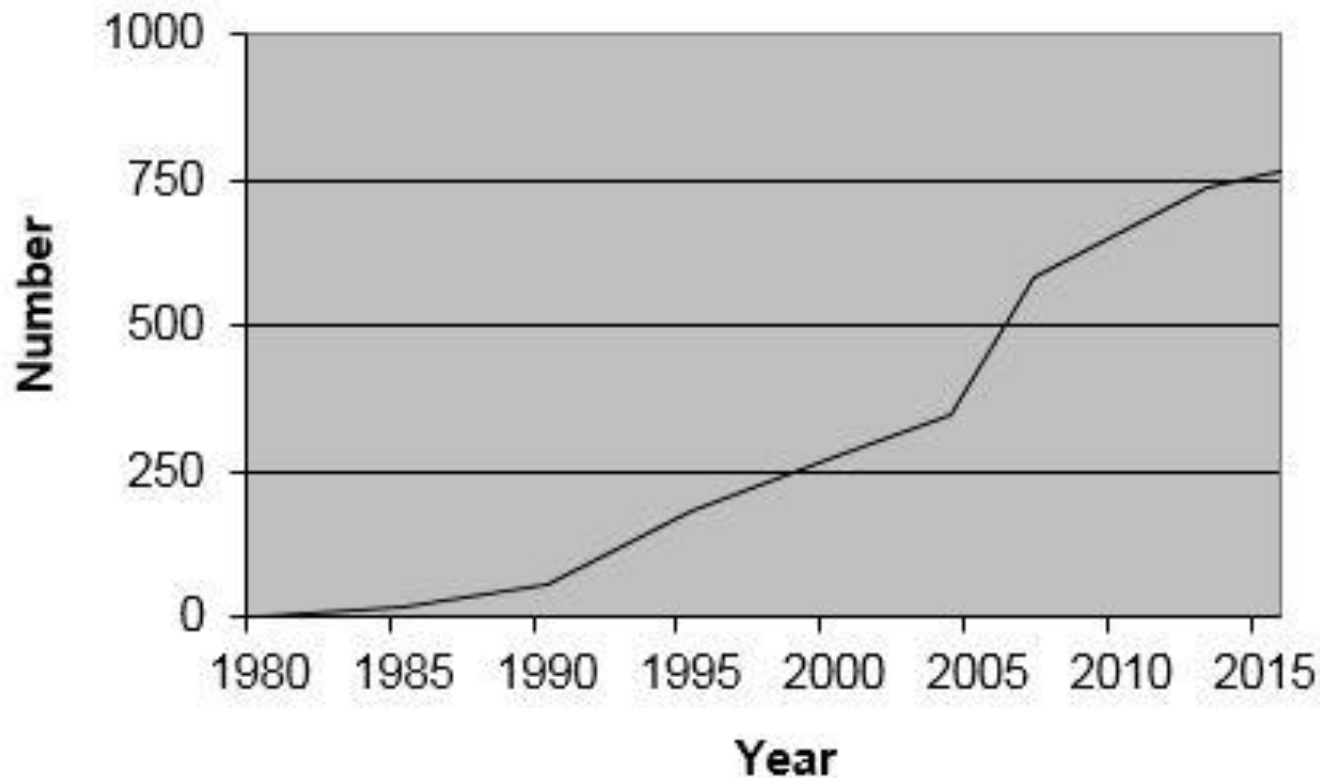
2. YES

3. YES

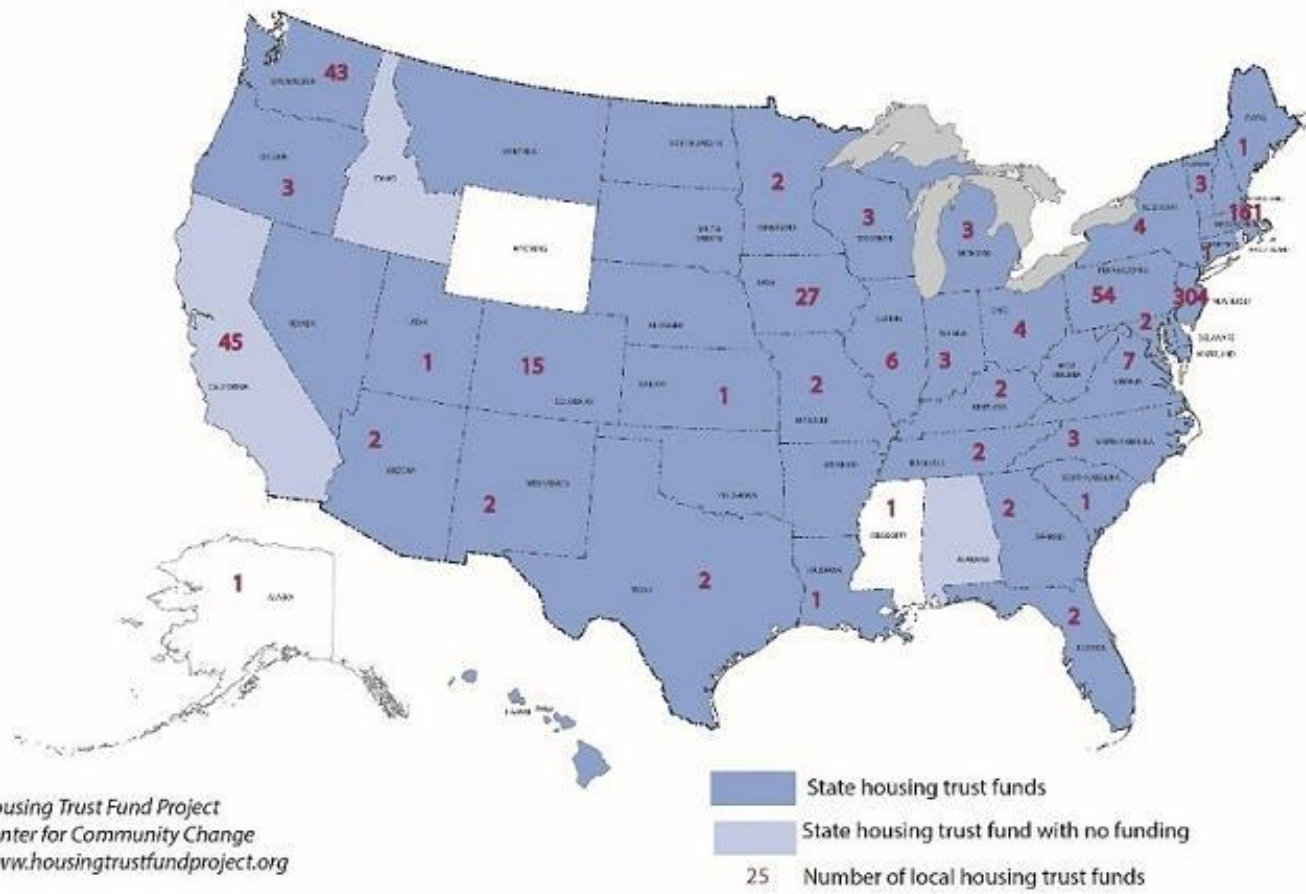
Today...there are more than 770 housing trust funds



Growth of Housing Trust Funds



Housing Trust Funds 2016



Housing Trust Fund Project
 Center for Community Change
www.housingtrustfundproject.org

Housing Trust Funds collect a combined total of more than \$1.1 billion a year to support affordable housing.

City Housing Trust Funds with new revenue in 2016



New Housing Trust Funds:

- Denver, Colorado
- Baltimore, Maryland
- Pittsburgh, Pennsylvania
- Portland, Oregon
- Vancouver, Washington

\$250 million in new public funding from cities, including:

- Oakland, California
- Evansville, Indiana
- Louisville, Kentucky
- Austin, Texas
- Seattle, Washington



How Housing Trust Funds Work



Legislation or Ordinance →

Establishes the Housing Trust Fund

Dedicated Revenue Sources

Taxes or Fees

Program Generated Revenue

Interest Earned

Other Revenues

Programs

Distribution of Funds

Program Requirements

Eligible Applicants

Eligible Uses

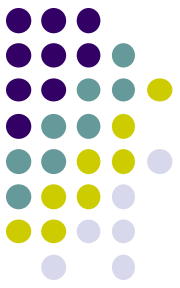
Administration

Agency or Department

Oversight Board



Why *Dedicate* Public Revenues to Affordable Housing



- Having sufficient housing to match local incomes is fundamental to the health of every community.
- The private market cannot respond to homes that require subsidies.
- Developing affordable housing requires long-term planning and investment.



- Affordable housing cannot be dependent on budget surpluses.

Cities and Counties Commit Dozens of New Revenue Sources



- *document recording fees*
- *real estate excise tax*
- *sale of government owned land*
- *Impact & linkage fees*
- *impact fee on new commercial construction*
- *hotel/motel taxes*
- *filing fees property sales disclosure forms*
- *building permit fees*
- *real estate transfer taxes*
- *tax increment revenues*
- *land bank revenues*
- *demolition fees*



- *parking garage proceeds*
- *restaurant tax*
- *inclusionary zoning in-lieu fees*
- *property tax*
- *sales tax*
- *court settlements*
- *casino revenues*

Opening Doors to Homes for All



THE 2016 HOUSING TRUST FUND SURVEY REPORT

HOUSING TRUST FUND PROJECT



CITY HOUSING TRUST FUND DEDICATED REVENUE SOURCES

These City Housing Trust Funds reported the following revenue sources committed to their Housing Trust Funds:

| | |
|--|--|
| Developer impact fees | Berkeley, CA; Oakland, CA; Palo Alto, CA; San Diego, CA; Elk Grove, CA; Santa Rosa, CA; Denver, CO Boulder, CO; Cambridge, MA; Somerville, MA; Boston, MA; Santa Fe, NM; Seattle, WA; plus 304 communities in New Jersey under the NJ Fair Housing Act |
| Developer agreements | Fairfax, VA |
| Property tax | Denver, CO; New Orleans, LA; Red Wing, MN; Greensboro, NC; Raleigh, NC; Burlington, VT; Seattle, WA; Bellingham, WA; Milwaukee, WI; plus 161 communities in Massachusetts under the Community Preservation Act |
| Inclusionary zoning in-lieu fees | Pasadena, CA; Fremont, CA; Highland Park, IL; St. Charles, IL; Somerville, MA; Portland, OR |
| Document recording fees | Chicago, IL; Indianapolis, IN; Philadelphia, PA |
| Tax increment funds | Minneapolis, MN; Madison, WI; Milwaukee, WI |
| Short-term rental fee/tax | Oakland, CA; Portland, OR; Nashville, TN |
| Hotel/motel tax | Mammoth Lakes, CA; San Francisco, CA |
| Housing bond | San Francisco, CA; Charlotte, NC |
| Income and interest earned | Asheville, NC; Portland, OR |
| Condo conversion fees | Berkeley, CA |
| Construction excise tax | Portland, OR |
| General fund set-aside | San Francisco, CA |
| Real property transfer tax | Santa Rosa, CA |
| Demolition tax | Highland Park, IL |
| City owned land sales | Santa Fe, NM |
| Building permit fee | Bend, OR |
| Property taxes on previously owned city land | Austin, TX |
| General funds | Livermore, CA; Los Angeles, CA; Santa Rosa, CA; Fremont, CA; Longmont, CO; Savannah, GA; Arlington Heights, IL; Evansville, IN; Lexington, KY; Louisville, KY; Minneapolis, MN; Greensboro, NC; Asheville, NC; Charlotte, NC; Albuquerque, NM; Portland, OR; Nashville, TN; Knoxville, TN; San Antonio, TX; Austin, TX; Salt Lake City, UT; Charlottesville, VA; Richmond, VA; Charlotte, VT; Bainbridge Island, WA; Redmond, WA; Madison, WI; Milwaukee, WI; and three cities creating funds under the Iowa housing trust fund. |

<https://housingtrustfundproject.org/publications-and-resources/2016-housing-trust-fund-survey-report>

Administration



- Virtually all housing trust funds are administered by staff of a **public agency or department**. Encourages good coordination of available affordable housing funds.
- Most housing trust funds have some kind of **oversight board**.
 - ✓ These boards are appointed and have broad representation from the affordable housing community.
 - ✓ They may be either decision-making or advisory boards.
- Administrative **costs** can be paid from trust fund revenues or other public funds.



Program Requirements



- ***Eligible Applicants:*** nonprofit developers, for-profit developers, housing authorities, governments, Native American tribes, etc.
- ***Eligible Uses:*** acquisition, new construction, rehabilitation, predevelopment costs, housing related services, operating costs, capacity building, rental assistance, foreclosure assistance, etc.



- ***Application Requirements:*** income targeting to control who benefits, long term affordability, accessibility, leveraging, etc.

What it means to *Leverage funds*



**A Mixed-Use, Mixed-
Income, LEED ND
Platinum, Transit
Oriented Development
in North Philadelphia**

An example from Philadelphia

- **Phila. Housing Trust Fund: \$1,500,000**
- **HOME funds: \$4,000,000**
- **FHLB-Pittsburgh AHP: \$520,423**
- **LIHTC Equity: \$10,937,922**
- **NMTC Equity: \$7,993,714**
- **RACP: \$5,500,000**
- **PA DCED: \$500,000**
- **Energy Works: \$3,000,000**
- **Bank Loan: \$9,010,000**
- **Deferred Developer Fee: \$2,765,161**
- **Misc. Sources: \$1,546,286**
- **Total development costs = \$47,273,506**

From our 2016 survey of housing trust funds:

State housing trust funds \$1.00 : \$7.00

City housing trust funds \$1.00 : \$6.00

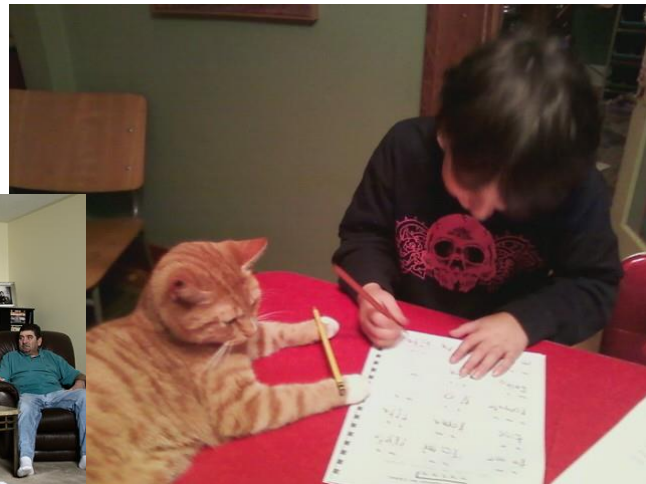
County housing trust funds \$1.00 : \$8.50



How Housing Trust Fund Campaigns Are Won



A **revenue** campaign **MUST** be about **PEOPLE**





Elements of a winning campaign

- Coalition with aligned vision and goals, roles & commitment to participate
- Strong political champion (very helpful if you can)
- Research and analysis to find best revenue source(s)
- Outreach, endorsements and engagement
- Disciplined, strategic communication
- Engage people who have or need affordable housing
- Capacity to act
- Be creative and have fun!

Welcome Home Coalition (Portland, Oregon)



- Formed in 2014, coalition of six organizations
- Goal: Dedicated revenue for Multnomah County
- Wins:
 - Short-Term Rental (AirBnB) tax
 - increase from 30% up to 45% Tax Increment Financing Affordable Housing Set Aside
 - Inclusionary Housing Fund (IHF) and enacted a construction excise tax that will generated an estimated \$8 million for the IHF annually

Lexington, Kentucky



- **Coalition led by homeless service providers and faith-based community organizers.**
- **The city council of Lexington, KY established a housing trust fund in July 2014 and committed \$2 million annually in general fund allocation for the next four years in September 2014.**



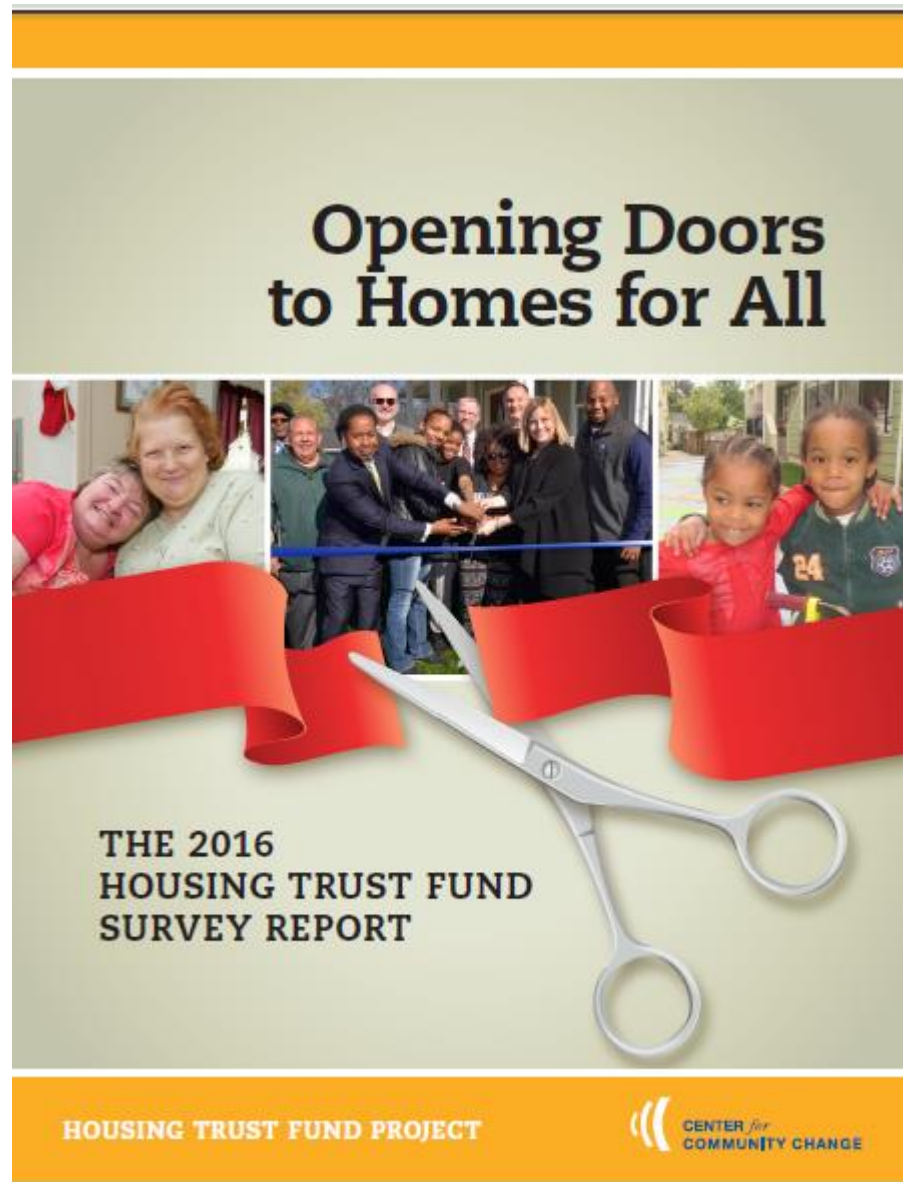


Victory in Vancouver, WA



57% of voters say yes to levy!!





<https://housingtrustfundproject.org/publications-and-resources/2016-housing-trust-fund-survey-report/>



CENTER *for*
COMMUNITY CHANGE

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