

LOCAL HOUSING TRUST FUNDS

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About LSA

LSA is a Virginia-based, certified Woman Owned Small Business with a mission of working with local partners to increase understanding of housing and local economic development issues and to help build capacity to expand housing options.

LOCAL PLANNING

LSA works collaboratively with public, private and nonprofit stakeholders to develop results-oriented local and regional housing plans.



HOUSING RESEARCH

LSA conducts empirical research to support the work of national and state organizations, cities and counties, developers and other housing-related organizations.

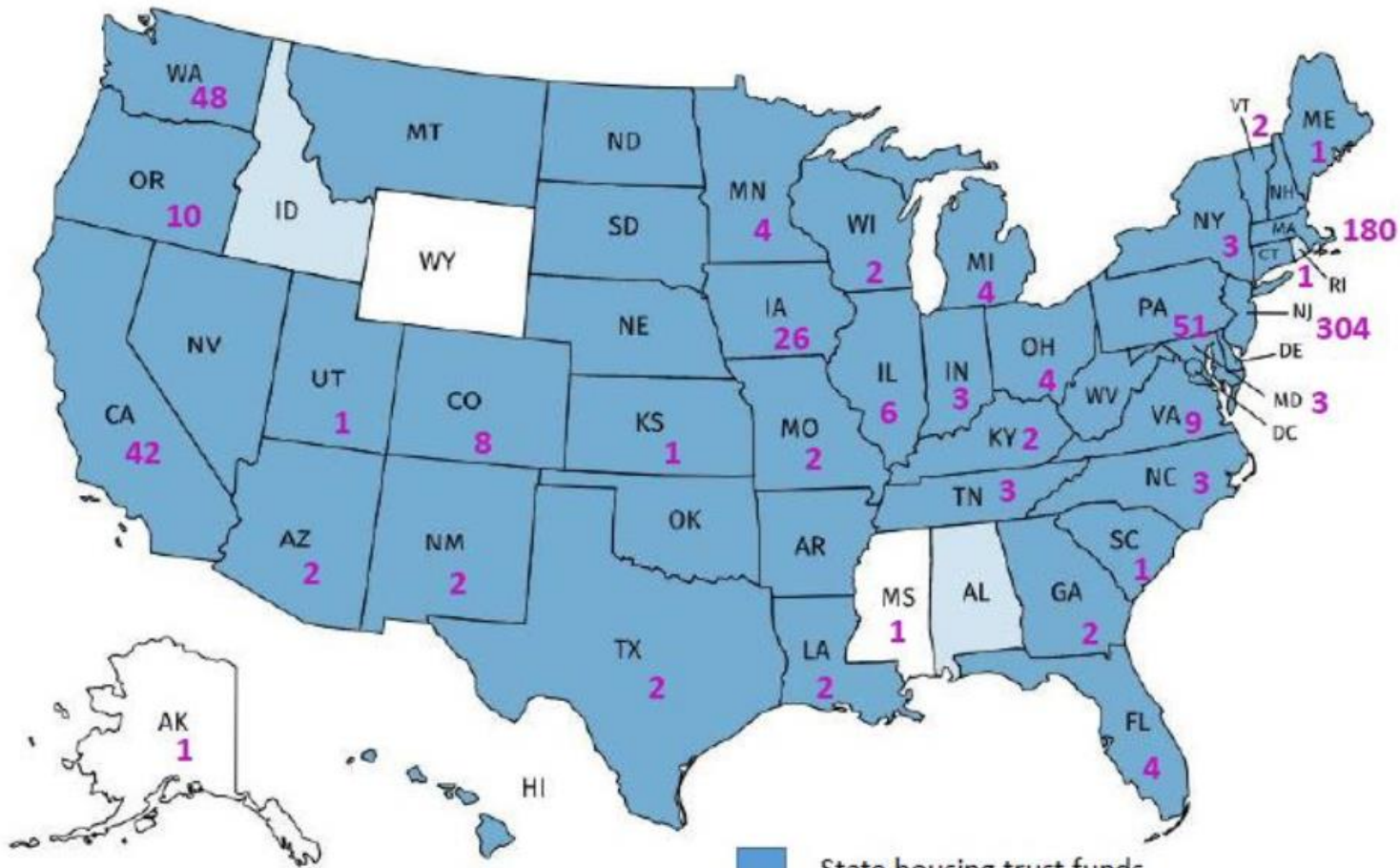


FORECASTS & ANALYSES

LSA has developed a proprietary employment-driven housing demand model that links regional economic growth and housing supply.



State and Local Housing Trust Funds 2019



Nearly **800** state and local housing trust funds

Generate more than **\$2.5 billion/year**

- State housing trust funds
- State housing trust fund with no funding
- 740 Number of local housing trust funds

Benefits of a Housing Trust Fund

Benefits

Flexibility

Consistency

Leverage

Economic

Trust Funds Support

Direct financing & leveraging other funds

Reduce the cost of borrowing

Build capacity

Preserve affordable housing

Long-term rental assistance & eviction prevention

Support housing services

Best Practices in Local Housing Trust Funds

1. Regular, predictable funding
2. Explicitly responsive to unmet housing needs
3. Coordinated with other plans and policies
4. Transparent process of awarding and reporting on funds
5. Consistent with local capacity

1. Regular, Predictable Funding

Sources of Funding

Transfer/recordation fees

Property taxes

Inclusionary zoning in lieu fees

Condominium conversion fees

Tax increment financing

Loan repayments

Discretionary local funding

Annual appropriations

2. Unmet Housing Needs

Measuring Unmet Housing Needs

Determine housing needs at different income levels and estimate gap financing needed

Assess local capacity and funding needed to complete projects

Review funding applications from other programs (HOME, CDBG)

Specifying Target Population(s)

Clearly tied to needs assessment

Fills a need not being met by other sources

Consistent with other local goals

Particular populations/particular neighborhoods

Take advantage of unique circumstances

Consistent with revenue expectations

3. Coordinated with Other Plans and Policies

Coordination

LIHTC

CDBG/HOME

Public land

Opportunity Zones

Economic development investment areas

4. Process of Awarding Funds: Types of Projects

Types of Projects/Programs to Fund

Permanent affordable rental housing

Supportive housing for populations with special needs

Mixed-use developments

Adaptive reuse

Land acquisition

Rehabilitation of existing affordable housing

Transitional or emergency housing and homeless shelters

Preservation of assisted housing

Rental assistance for lower income residents

Foreclosure prevention

Rehabilitation loans or grants for owner-occupants

Home weatherization and emergency repairs

Homeownership assistance

Transportation, in-home care, and other social services for people with special needs

5. Process of Awarding Funds: Funding Criteria

Criteria should provide clear direction on

Income/population targets

Federal and state laws

Affordability terms

Provision of services

Connections with other local programs/funding sources

Process should be clear on:

Funding requirements

Competitive evaluation criteria

Funding preferences

Priorities

Set-asides

Flexibility versus predictability

6. Consistent with Local Capacity

Be Sure Money Can be Moved Out the Door

Partner with established local organizations

Invest in capacity development

Work with reputable non-local partners

Establish procedures for monitoring and accountability

Local Housing Trust Fund: Washington DC

Housing Production Trust Fund

\$130 million (proposed FY2020)

40%+ to serve <30% AMI

40%+ to serve 30-50% AMI

10,000+ units since 2011

Funding source: deed transfers, recordation taxes, general appropriations

Types of Funding

1. pre-development loans
2. financing for site acquisition
3. bridge loans
4. outreach and technical assistance
5. loans to develop housing and provide housing services
6. loans or grants to finance on-site child care
7. grants for architectural designs for adaptive re-use

Local Housing Trust Fund: Washington DC

Process

Notice of funding availability
(NOFA)/Request for Proposals (2x/year)

Priority to non-profit developers

Criteria include HPFT affordability criteria,
as well as preferences for family-sized
units; Permanent Supportive Housing (PSH)
units; senior housing, mixed-income
projects; TOPA projects, and projects near
transit.



St. Dennis Apartments in Mt. Pleasant
Photo credit: DCist

Local Housing Trust Fund: Arlington, Virginia

Affordable Housing Investment Fund

~\$25 million (annually available)

Annual allocation + loan repayments

\$1 funding → \$3.5 add'l

Can support 294 units annually (\$85K/unit)

Goal: 585 units annually

New construction/rehabilitation



Buchanan Gardens
Photo credit: APAH

Local Housing Trust Fund: Arlington, Virginia

Process

Notice of funding availability (NOFA)

Also “out of cycle applications”

Applicants must use federal funds

Eligibility criteria include prior projects that contain committed affordable (CAF) units; target households up to 80% AMI; and affordability terms of 30+years

Scoring Guidelines

75+ years affordability term

Below 50% AMI

Family-sized units

Metro corridors/Lee Highway

PSH

Request <\$85,000/unit

Site readiness

Digital equity

Local Housing Trust Fund: Philadelphia, PA

Housing Trust Fund

\$21 million (2019)

Goal: \$100 million over five years

Funding source: general fund raised from new real estate tax revenue for properties coming off 10-year abatements

No Construction Impact Tax

Also passed - Mixed Income Housing Program/IZ (future add'l source of funding)

FY 2006-2017 Housing Trust Fund Impact at a Glance



Local Housing Trust Fund: Philadelphia, PA

Targeted Populations

Housing Trust Sub-fund will receive the \$21 million
Fund projects supporting households up to 120% AMI

Other priorities

Funds only available to non-profit developers
Half of funds target <30% AMI

Local Housing Trust Fund: Denver, CO

Denver Housing Trust Fund

Created in the Fall 2016 – city’s first dedicated affordable housing fund

Fund scheduled to “sunset” in 2026

\$150 million over 10 years

Revenue sources: 1) portion of property tax rate and 2) fee on residential/commercial development “linkage fee”

Nexus study



Local Housing Trust Fund: Denver, CO

Priorities & Targets

Rental: up to 80% AMI

Homeownership: up to 100% AMI
up to 120% AMI for dp assistance

Year 1 target: At least 653 new
income-restricted apts and 250
households receiving emergency
assistance

Administration

23-person advisory committee convened by
the Mayor

Setting priorities, administering fund

Set cap 8% for admin

Office of Economic Development set up
proposal process

Nonprofit and for-profit developers eligible

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