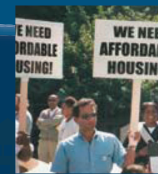
HOUSING TRUST FUND PROJECT



Center for Community Change

NEWS

2010 FALL

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MICHIGAN ORGANIZING PROJECT

MOP's Nehemiah Assembly in July 2010.

Monday September 20, 2010 was a very significant day in the campaign to end homelessness in Kalamazoo County, Michigan. A new coalition committed to securing dedicated revenue for the Local Housing Assistance Fund came together for the first time in Kalamazoo. This meeting came about as a result of more than a year of work by the Housing Task Force of Michigan Organizing Project (MOP).

MOP and several other organizations waged a three-year campaign to establish the Local Housing Assistance Fund. Since its inauguration in 2006, the Fund has provided safe, stable housing for 74 formerly homeless households, including 226 individuals, 128 of whom were children. While far from meeting the need for affordable housing in Kalamazoo, the fund has made a real difference in the lives of these people. Thirty-nine individuals have been able to move forward in their lives where they are now able to afford their own place to live without a subsidy.

The meeting was attended by 35 individuals representing ten community-based organizations, all committed to increasing and stabilizing the funding for the Kalamazoo County Local Housing Assistance Fund. Among the organizations committing to the effort were both MOP (a member of National Peoples Action) and the Interfaith Strategy for Advocacy and Action in the Community (ISAAC--an affiliate of the Gamaliel Foundation), marking the first time the two major faith-based social justice organizations of Kalamazoo have come together to work for a common cause. The effort is also being spearheaded by the Poverty Reduction Initiative, People United to Secure Housing, and the League of Women Voters. Another 20 organizations are actively considering formal affiliation.

In spite of the tremendous success of this program, it will not continue past 2011, unless a new source of funding is secured. Further appropriations from local governmental units or individuals are not likely in the current economy, and neither fee nor tax increases are possible without a vote of the entire Kalamazoo County electorate. Thus,

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CENTER *for* COMMUNITY CHANGE

News is published by the Housing Trust Fund 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.

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KALAMAZOO, *continued from page 1*

the formidable task facing the coalition is to convince the Kalamazoo County Board to place a proposal for a property tax increase on the ballot sometime in 2011 and then to convince voters to support it. While any tax increase is a hard sell, coalition members know that the alternative of just letting this fund expire and turning away from the goal of ending homelessness in Kalamazoo County is simply unacceptable.

One of the first goals of the coalition is to raise the funds required to run a successful public education campaign to pass the ballot initiative. MOP is accepting donations earmarked for the *"housing campaign"* for this purpose.

MOP

Kalamazoo, Michigan advocates for the homeless prepare for Good Friday prayers.

The Local Housing Assistance Fund (LHAF) is administered by the Resource Development Department of the County Public Housing Commission and has received more than $1 million in funds from Kalamazoo City and County, the City of Portage, plus funds from the state (Michigan State Housing Development Authority). The Fund is used to enable the community's homeless to access available housing.

The Fund has supported:

Local Housing Vouchers: County housing vouchers are designated for homeless individuals and families, who earn 30% of the area median income or less, with a focus on the chronically homeless.

Preservation of units: $60,000 was committed to purchase Bethany House from the Sisters of St. Joseph who had operated the house as a haven for women in recovery for 28 years. The Commission will be reopening Bethany House this fall.

Renovation of units: Funds have been utilized to pay for renovations and upkeep of units participating in the Local Housing Assistance Fund.

Support services: Services are provided through a collaboration in which each housed individual or family has an organizational sponsor committed to provide case management.

There are eight active sponsors participating in the LHAF. These include: Open Door/Next Door, Gospel Mission, Oakland House, Bethany House, Portage Community Center, Ministry with Community, Michigan Department of Corrections—Parole, Probation and Michigan Prison Reentry Initiative, and YWCA/Domestic Violence Program.

Forty-three individuals have graduated from the program. The Local Housing Assistance Fund currently has 32 vouchers that are still active. Eighty-nine percent of recipients were in stable housing as of the end of September 2009. The clear accomplishments from this program lay a strong foundation for the coalition's campaign.

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Philadelphia Housing Trust Fund Celebrates Five Year Anniversary

Affordable housing developers and advocates joined Mayor Michael A. Nutter to celebrate the fifth anniversary of the Philadelphia Housing Trust Fund. Adding to the celebration were City Council members Jannie Blackwell; Darrell Clarke; W. Wilson Goode, Jr.; Blondell Reynolds-Brown; and Maria D. Quinones-Sanchez along with Director of Housing and Community Development, Deborah McColloch. The event also marked the release of a report summarizing the Trust Fund's investments and accomplishments over the past five years. Since its inception in 2005, the Fund has committed more than $45 million to expand and improve housing opportunities for nearly 5,000 households in Philadelphia.

"The Housing Trust Fund is a key tool in creating and preserving quality affordable housing and revitalizing neighborhoods throughout the City of Philadelphia," said Mayor Nutter. *"The accomplishments outlined in this report highlight the value of Trust Fund dollars for city residents."*

The accomplishments of the Housing Trust Fund include:

- Creating nearly 850 new homes, with another 550 in the pipeline;
- Funding major home repairs in more than 1,200 houses;
- Construction of accessible homes and modifications to existing homes that have made it possible for more than 750 persons with disabilities to live more independently;
- Preventing more than 1,450 households from becoming homeless; and
- Leveraging more than $140 million in non-city funds, with projects in the pipeline leveraging another $85 million.

Trust Fund resources support three core program areas:

Housing Production: The Trust Fund provides financing to nonprofit organizations (or joint ventures between nonprofits and for-profits) for constructing new affordable homes for sale or rent. The Trust Fund has made awards to thirteen homeownership and twenty-eight rental developments that will create 1,390 homes.

PACDC

Presentation of the anniversary cake!

Housing Preservation & Home Repair: The Trust Fund supports programs that preserve existing rental housing, make repairs to basic systems such as heating, plumbing and electric in owner-occupied homes, and modify homes to make them more accessible for the people with disabilities living there. Through June 30, 2010, the Trust Fund has provided $14.5 million in funding to preserve 242 existing rental units, to repair major systems in 1,248 homes, and to make 616 homes more accessible to disabled residents.

Homelessness Prevention: The Trust Fund provides emergency mortgage, rental or utility assistance to enable residents to remain in their homes when facing foreclosure or eviction. Short-term rental assistance along with support services help homeless transition to permanent housing. $4.8 million from the Trust Fund has enabled 471 individuals and 988 families to stay in their homes or transition to a new one while saving the city approximately $5 million in emergency shelter costs.

Construction activities supported by the Trust Fund are creating not only homes but also jobs all across the city. In addition the funds awarded through the Trust Fund are leveraging other non-city dollars. Total development costs exceed $380 million, many times the investment made by the Housing Trust Fund.

Trust Fund dollars are raised primarily through deed and mortgage recording fees. In recognition of the success of the Trust Fund, last December, City Council passed legislation, by unanimous vote, raising the deed and mortgage recording fees by $30

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PACDC

Named after long-time resident, community activist and neighborhood champion Evelyn Sanders Downey, Phase I of the Women's Community Revitalization Project's (WCRP) Evelyn Sanders development brings new vitality to blighted land in the Fairhill neighborhood that had been vacant for decades. The 40 newly built rental homes meet LEED silver standards to help reduce tenant utility costs. Evelyn Sanders provides homes for families who make less than $20,000 a year and/or have experienced homelessness. In 2010, WCRP began construction on Phase II, an additional 31 rental homes for families earning at or below 30 percent of the area median income. The Trust Fund committed $575,000 for Phase I and $307,600 for Phase II to advance this $24.9 million investment in the community.

to provide additional resources. The increase would yield approximately $4 million in additional funds each year for the Trust Fund.

To implement the action, the City needs enabling legislation from the state. That measure (H.B. 1645) has already been introduced with bi-partisan support in the legislature. The Bill would give Philadelphia the authority to decide whether to raise its Deed and Mortgage Recording Fees to support the Trust Fund when the City raises such fees for the General Fund (the maximum fee for the Trust Fund is currently capped at the fee level in affect when the Trust Fund was created in 2005). The bill was approved by the House Urban Affairs Committee and Rules Committee in July and is waiting action in the Appropriations Committee. Housing advocates have made more than 30 visits to legislators to support the bill.

Rick Sauer, Executive Director of the Philadelphia Association of Community Development Corporations outlined the effect inaction on the legislation is having in Philadelphia. *"We are puzzled why the House Appropriations Committee has left hundreds of Philadelphia families out in the cold – homeless or with homes in disrepair and in foreclosure,"* Sauer said. *"If they had passed H.B. 1645 last summer, we would be celebrating about 450 more families in their own quality, affordable homes. The clock is ticking – we urge them to do the right thing now."*

The report was written and produced by the Philadelphia Association of CDCs and the Office of Housing and Community Development (OHCD) and is available on the OHCD website at www.phila.gov/ohcd.

Contact: Rick Sauer, Philadelphia Association of CDCs, 1315 Walnut Street, Suite 1600, Philadelphia, PA 19107 (215-732-5829) or RSauer@pacdc.org.

Nearly 72% of the households assisted through the Philadelphia Housing Trust Fund earn 30% or less of the area median income.

COHHIO Brings Advocates Together to Protect Funding for the Ohio Housing Trust Fund

Participants at the COHHIO workshop share ideas about how best to support the Ohio Housing Trust Fund.

A flexible funding source that supports homeless prevention and affordable housing programs across the state, the Ohio Housing Trust Fund turns 20 this year, just as the Ohio legislature wrestles to fill an $8 billion hole in the state budget.

Facing an unprecedented funding threat, the Coalition on Homeless and Housing in Ohio (COHHIO) and partner organizations including the Ohio Association of Area Agencies on Aging, Ohio Association of Community Action Agencies, Habitat for Humanity of Ohio and the Ohio CDC Association hosted a workshop for Ohio Housing Trust Fund advocates in Columbus on September 21 to layout a strategy for COHHIO members and supporters to protect the Housing Trust Fund.

Recognizing that accomplishments do not speak for themselves, COHHIO leaders identified the strongest arguments to support the trust fund, and convened the day long workshop to prepare advocates with messages, materials, and a strategy to meet with legislators throughout Ohio.

Putting together the arguments in favor of the Trust Fund was the easy part. After 20 years, the positive impact of the Ohio Housing Trust Fund is obvious in communities across Ohio: new construction for hard working young families in Clark County; housing rehabilitation for victims of domestic violence in Ottawa County; down payment assistance and financial counseling to formerly homeless families in Erie County; handicap accessibility modifications for disabled veterans in Guernsey County; and emergency home repair for senior citizens in Noble County.

In all, more than a million people from every one of Ohio's 88 counties have benefited directly from Ohio Housing Trust Fund programs and services. Millions more benefit indirectly. The trust fund leverages federal and private resources to make scarce state dollars stretch considerably further. Allocations in FY2009 totaled just over $50 million, with $250 to $500 million leveraged in working capital for housing and critical services.

And the Ohio Housing Trust Fund *"builds"* jobs. The Trust Fund contributed to the construction of 2,737 home ownership and 1,610 rental units in FY 2009 creating an estimated 10,000 jobs. Every dollar of state money Ohio invests to build or remodel homes and apartment buildings generates new economic activity and creates sorely needed employment across the state.

After identifying the best arguments, COHHIO developed a handsome two-page brochure that quantified the success of the state's Housing Trust Fund in terms that can easily be understood by legislators, their staff, and the public.

To develop its strategy and messages, COHHIO studied other successful housing trust fund campaigns. They adopted the slogan, *"Let's keep a good thing going,"* from the campaign in Seattle that sustained a public vote to fund the local housing levy program.

During the workshop advocates heard

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about how to meet with legislators and get their message across, as well as tips for working effectively with the media. Advocates also had the opportunity to practice using messages that reflect benefits from investing in affordable housing, including educational success, neighborhood revitalization, employment growth, increased public safety and community stability. The statewide organizations present strategized about building a presence in every legislative district throughout the state.

Though COHHIO anticipates facing substantial challenges in the upcoming legislative session, their preparation and coordination will ensure that Ohio legislators get the message to support full funding of the Ohio Housing Trust Fund and to *"keep a good thing going."*

Contact: Bill Faith, COHHIO, 175 South Third Street, #250, Columbus, OH 43215 (614-280-1984) or www.COHHIO.org.

COHHIO

Workshop participants EJ Thomas, Executive Director, Habitat for Humanity-Greater Columbus, and Ryan Miller, Executive Director, Habitat for Humanity of Ohio, role play a meeting with a legislator.

The Ohio Housing Trust Fund

The Ohio legislature approved the Ohio Housing Trust Fund in 1991 with the intent to create a flexible, cost effective funding source that serves the critical housing needs of military veterans, senior citizens, people with disabilities, and working families. Immediately, the trust fund went to work, creating good paying housing-related jobs, leveraging working capital to bring more federal and private dollars into the state, and targeting half of all allocations to rural counties.

In 2002 a permanent, dedicated funding stream was enacted, allowing the trust fund to quickly address local needs, conditions and priorities in an increasingly troubled economy. This brought predictability and reliability to the funding process, and fostered a long-term private investment in housing.

Allocations are based on recommendations by a fourteen member advisory committee representing various sectors of the housing and lending industry and local governments. Funds are allocated among the following programs:

- Community Development Finance Fund,
- Community Housing Improvement Program,
- Discretionary Grant Program,
- Homeless Assistance Grant Program,
- Housing Assistance Grant Program,
- Housing Development Assistance Program,
- Microenterprise Business Development Program,
- Resident Services Coordinator Program, and
- Training and Technical Assistance Program.

Corporation for Enterprise Development Releases 2010 State Policy Survey

The Corporation for Enterprise Development (CFED) has released its 2010 *"Assets & Opportunity Special Report: Recent Progress on the 12 Scorecard Policy Priorities."* This report is a comprehensive look by CFED at wealth, poverty and the financial security of families. CFED assesses the fifty states and the District of Columbia on 92 outcome and policy measures, which indicate how well residents are faring and what states can do to help residents build and protect assets. These measures are grouped into six issues areas: Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care, Education, and Community Investment & Accountability Policies.

State housing trust funds are one element CFED has included under the Housing & Homeownership issue area. CFED surveyed state housing trust funds to inform its analysis.

Today's challenging economic climate and the devastating budget deficits faced by state legislature have resulted in a precipitous drop in revenues for state housing trust funds in FY2010. According to the responses CFED received in its annual Assets and Opportunity Scorecard, the total revenues collected by state housing trust funds for FY2010 was $481,137,883. State housing trust funds collected in excess of $848 million in FY2009.

According to the Center on Budget Policy and Priorities, 48 states faced budget shortfalls in FY2010. The challenges were huge and the competition fierce to sustain funding for critical programs.

CFED surveyed housing trust funds in forty states and the District of Columbia—a few states have enacted more than one trust fund. Twelve states cut funding or failed to continue appropriations to state housing trust funds. Nine states experienced a decline in revenues for their state housing trust funds because of economic conditions (meaning the revenue source generated less revenue than in previous years).

In contrast, funding for state housing trust funds increased in ten states.*

While it is difficult not to consider such a trend fairly dire, the survey also revealed optimism from many state housing trust funds. Within this optimism are a few lessons. Several states expressed the importance of the support they have built over time for the housing trust fund within the legislature and administration:

"The loss of funding could have been more but there is support for this program at the Legislature ... we made the case that these funds provided much-needed, flexible gap financing for developments which had approval for financing and/or tax credits."

"The funding level has been preserved. This is a reflection of the Governor's commitment to the program and his recognition that housing is a critical part of the state's economic recovery and is a player in job creation."

"Retaining funding was a significant accomplishment, and resulted from the support of legislative leaders and a broad group of housing industry representatives and advocates. We emphasized housing needs in the state and the role of housing construction and rehab in creating jobs."

"The cuts could have been worse if not for the general positive feelings about the housing programs."

"It is a priority for the State administration."

Other states confirmed the value of having won a dedicated revenue source and the security present in this commitment. In addition, there was recognition that as the economy improves, revenues will bounce back to previous levels.

"There has been no discussion of cutting funding to the Housing Trust Fund. The fee has generated less revenue in recent years, due to fewer real estate related documents being filed, but there has never been any serious talk of reducing the fee."

"The Legislature wanted to keep funding in a range, which is more in keeping with historical appropriations."

"With our state suffering from the recession perhaps more than others, we have lost some

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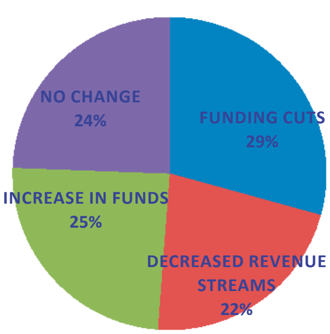
Changes in FY2010 Funding State Housing Trust Funds



* Of the remaining ten states, four have never funded their state housing trust funds , three remained relatively static, and three have not received funding after initial capitalization.

funding. Frankly, this is indicative of excellent support for the HTF. Many state programs were eliminated entirely. Many more have sustained more severe cuts. If this recession doesn't worsen for us, I'd say that we've weathered it pretty nicely."

CFED positions that housing trust funds are one way states can help provide affordable homes and that they should be established with a dedicated and recurring source of public funding.

CFED considers a state's housing trust fund policy strong if it demonstrates:

- A dedicated public funding source,
- Adequate funding to make a meaningful impact,
- Stable funding levels over time, and
- Strong stewardship of the housing trust fund.

Overall, in the assessment that CFED makes regarding its four criteria, twenty-eight states made positive or no changes. Fifteen states increased funding for or otherwise improved their housing trust funds through legislative or administrative changes in the four areas evaluated.

The Corporation for Enterprise Development's report is available on its website: www.cfed.org.

If you would like to update or add to this information, please contact the Housing Trust Fund Project: mbrooks@communitychange.org.

State Housing Trust Funds
Reporting Revenues for FY2010
CFED Survey

Arizona	$10,500,000	Missouri	$3,653,903
Arkansas	$0	Montana	$0
California	$0	Nebraska	
Connecticut		Affordable HTF	$4,000,000
Interest on RE Broker Trust Accts	$500,000	Homeless Assistance Fund	N/A
Community Investment Act	$3,100,000	Nevada	
HTFund for Econ G&O	$10,000,000	Acct for LI Housing	$6,000,000
Delaware	$8,570,000	Asst for LI Owners of MHomes	$341,944
District of Columbia	$21,252,000	New Hampshire	$0
Florida	$37,500,000	New Jersey	
Georgia	$3,177,099	Balanced Housing Program	$32,000,000
Hawaii	$9,000,000	Special Needs HTF	$50,000,000
Idaho	$0	New Mexico	$0
Illinois		North Carolina	$10,000,000
Rental Housing Support Program	$17,000,000	Ohio	$53,000,000
Affordable HTFund	$27,300,000	Oklahoma	$2,648,395
Indiana	$5,084,405	Oregon	
Iowa	$5,500,000	LI Rental Housing Fund	$216,795
Kansas	$0	Hsng Develop Grant Program	$4,400,000
Kentucky	$5,800,000	Rhode Island	$0
Louisiana	$0	South Carolina	$6,130,273.
Maine	$6,200,000	Tennessee	$0
Maryland	$3,000,000	Texas	$9,981,875
Massachusetts		Utah	$2,295,700
Affordable HTFund	$40,000,000	Vermont	$6,000,000
Community Preservation Act	N/A	Washington	$65,000,000
Michigan	$73,000	West Virginia	$820,000
Minnesota	$11,075,666	Wisconsin	$16,828

Metropolitan Housing Coalition Studies Homeless Children and Schools

"Every year when school starts, kindergarten teachers ask their eager students, 'Where do you live?' Giving their home address is a basic skill for five-year olds; it also helps them feel safe and fixes their place in the world. But for the growing number of homeless children in Louisville, Kentucky, this question has become much too hard to answer." This description of reality for at least 8,582 children in Jefferson County Public Schools—nearly one in nine—is the opening paragraph of a report by the Metropolitan Housing Coalition, *"Where Do You Live? Louisville's Homeless Children and the Affordable Housing Crisis."* The report was released in fall of 2009.

This report is one in a series of studies by the Metropolitan Housing Coalition building an understanding of the importance of funding the local housing trust fund.

The Metropolitan Housing Coalition analysis of Jefferson County Public School (JCPS) data shows that homeless children in Louisville are more likely to change schools repeatedly, struggle with reading and math, and drop out of school than their peers who grow up with stable housing.

Homeless students attend nearly every school in JCPS. Although some of these children live with their families in shelters or motels, nearly half of JCPS homeless students are living doubled up with friends or relatives. Often these arrangements fall apart quickly and families may move more than once before seeking housing at a family shelter.

Forty-four percent of homeless students changed schools at least once after they started school, with nearly 2,000 homeless students changing schools two or more times. Mobility and absenteeism go hand in hand. When families move in with friends or relatives or go to shelters for temporary solutions to their housing needs, children often miss school.

Reading scores for homeless students lag behind those of all JCPS students. Among third graders, just 37% of homeless students are reading at a proficient level, compared to 67% for all JCPS third graders. There is also a math achievement gap for homeless students at every grade. By high school, just 15% of homeless eleventh graders are proficient or above in math, compared to 42% of all JCPS eleventh graders.

The Metropolitan Housing Coalition notes that though the number of homeless children in Louisville is increasing, the availability of affordable housing for families with children is decreasing. Louisville's Affordable Housing Trust Fund could create a significant number of affordable housing options for families with school-age children in the coming years.

Family & Children's Place in Louisville piloted a project with Hazelwood Elementary in which homeless students and their families received intensive support. Parents worked with case managers to obtain housing and/or employment and children received additional services such as mentoring and summer camp. Teachers reported improvements in academics, behavior and absences.

Among numerous recommendations, the Metropolitan Housing Coalition suggests:

- Develop a specific goal for increasing the number of affordable rental and ownership units in Louisville Metro and measure progress toward that goal;
- Require all Louisville Metro bond issues for housing development to include at least 10% affordable housing;
- Create a source of renewable funding for the Affordable Housing Trust Fund such as a fee or tax;
- Ensure that affordable housing developments have enough multi-bedroom units for families with children; and
- Offer more foreclosure assistance in the form of financial help to prevent foreclosures and help with loss mitigation.

This report is available on the website of the Metropolitan Housing Coalitions at: www.metropolitanhousing.org.
Contact: Cathy Hinko, Metropolitan Housing Coalition, P.O. Box 4533, Louisville, KY 40204. (502-584-6858) or cathy@metropolitanhousing.org.

Center for Housing Policy Report Documents New Housing Construction Benefits to the California Economy

A new report, *"Building California's Future: An Economic and Fiscal Analysis of Housing Construction in the Golden State,"* documents that new housing construction in California continues to have positive economic and fiscal impacts. The report, released by the Center for Housing Policy, was commissioned by the California Department of Housing and Community Development, the California Department of Real Estate, and the California Housing Finance Agency and based on research by the Blue Sky Consulting Group.

Among the report's key findings are:

• **Economic Effects:** For fiscal year 2009-10, the construction of a median-priced home in the state of California produced an estimated $375,699 in new economic activity. This economic activity, which can range from the purchase and installation of materials by a builder to the production of windows by a supplier to the purchase of groceries by a roofer, is enough to support the creation of 2.1 jobs per new unit built, on average.

• **Fiscal Effects for the State of California:** The construction of a median-priced home has a positive estimated one-time fiscal impact for the state of $10,479 as it is being built and an ongoing annual fiscal impact of $1,869 after it is occupied.

• **Fiscal Effects for Cities and Counties:** Permitting and building a median-priced home is estimated to have a positive, substantial one-time fiscal impact for the average city ($759) and the average county ($1,442). Ongoing annual fiscal effects of new housing construction are also positive in the average city ($262) and county ($45).

The estimates provided in the report suggest that in most places and by most measures, housing development is both economically and fiscally beneficial for California, despite the housing downturn. On average, revenues for cities and counties continue to more than cover ongoing expenditures associated with development.

While the report focuses on the impact of constructing a median-priced home, a sensitivity analysis shows that the construction of lower-cost housing has a positive fiscal effect on the budgets of the state and typical locality. This suggests, according to the report, that the development of lower-cost homes for Californians who cannot afford today's prices is not only an important strategy for attracting and retaining an essential workforce but also a sound financial move for local governments.

Economic Impact Details: The direct effect of home construction accounts for more than half of the economic output. There are basically three elements of economic activity: direct, indirect, and induced effects of home construction.

The direct effects are impacts from spending by the construction firm on construction materials and wages for construction workers. These direct effects account for more than half of the economic output generated from new home construction.

Indirect effects come from spending by suppliers of goods and services, such as raw materials to make windows or the wages paid by a supplier. Indirect effects account for about 30% of the economic output. Induced effects are the impacts of the additional demand for goods and services created when employees of the construction firms and their suppliers spend their paychecks on things like food, clothing, housing, and entertainment. These effects account for slightly less than 20% of the economic output from new home construction.

Jobs Created Details: Home construction boosts employment both in the construction industry and in linked industries. Of the 2.1 jobs created for each home constructed, one of these jobs is a direct effect of the construction and the other 1.1 jobs are from indirect and induced activities. The benefits of home construction extend to many industry sectors. While 43% of the new jobs created are within the construction field, retail trade enjoys 16% of these new jobs. Manufacturing, professional services, and retail trade receive nearly 67% of all indirect employment opportunities. Seventy-five percent of all induced employment from new home construction occurs in the retail trade, health and social services, and accommodation and food services sectors.

The report is available on the website of the Center for Housing Policy: www.nhc.org.

National Housing Trust Fund Update

Recent information from HUD indicates that proposed regulations to implement the National Housing Trust Fund (NHTF) may be issued in the coming weeks. While the NHTF was created in 2008, regulations to implement the program have not yet been put in place. Details of the proposed implementation regulations have not been made public; nonetheless, it is expected that they will specify statutory requirements and reflect HOME regulations.

In keeping with other HUD priorities, the proposed regulation is expected to include energy-efficiency requirements and create incentives for the use of resources in connection with transit-oriented development. While the law allows for a portion of NHTF funds to be used for housing for those with very low incomes, the regulations may focus on housing serving extremely low incomes.

HUD previously published a proposed rule outlining the formula by which NHTF dollars would be allocated to the states [see our Summer 2010 issue of Housing Trust Fund Project News].

Congress recessed for the November elections in late September without the Senate taking action on S. 3793, the Job Creation and Tax Cuts Act of 2010. The new *"tax extender bill"* includes the initial funding of $1 billion for the National Housing Trust Fund and $65 million for project-based vouchers.

Congress will reconvene on November 15 for a short wrap-up session, during which the Senate is expected to consider S. 3793, the extension of the 2001 and 2003 tax cuts, a defense authorization bill, an immigration bill, extension of unemployment insurance, and the recommendations of the national fiscal commission.

S. 3793 was introduced by Senator Max Baucus (D-MT) on September 16. In addition to other non-housing provisions, the bill would provide initial funding for the National Housing Trust Fund and associated housing vouchers; extend the 9% low income housing tax credit exchange program; extend the placed-in-service deadline for the GO Zone tax credits for two years, through December 31, 2012; and make the GO Zone tax credits eligible for inclusion in the 9% tax credit exchange program.

Advocates should continue to push Congress to fund the NHTF before the end of this year. Seek opportunities to let Members of Congress know that funding the NHTF is a high priority this year.

If S. 3793 passes through the Senate, it will have to go back to the House for approval. In May 2010, the House passed legislation providing $1.065 billion for the National Housing Trust Fund, but that was a part of the 'extender bill' that was unable to move through the Senate this summer.

Despite the stalled progress on the initial capitalization of the NHTF, advocates, leaders from the housing and finance industries, and members of Congress have begun discussions that could shape the permanent funding source of the NHTF. In the legislation that created the National Housing Trust Fund in 2008 (H.R. 3221), contributions from Fannie Mae and Freddie Mac (GSEs) were the initial funding sources for the National Housing Trust Fund. But before any contributions could be made, the GSEs were taken into federal conservatorship.

At the latest hearing on the future of federal housing finance held by the House Financial Services Committee on September 29, Michael Heid, Co-President of Wells Fargo Home Mortgage, testifying on behalf of the Housing Policy Council of the Financial Services Roundtable, proposed creating multiple entities to replace Freddie Mac and Fannie Mae, and said these new entities should assume responsibility for funding the National Housing Trust Fund and the Capital Magnet Fund.

For the latest information on the National Housing Trust Fund campaign, go to: (http://www.nlihc.org/template/page.cfm?id=40).