HOUSING TRUST FUND PROJECT

Center for Community Change

Washington Wins on Funding

Housing advocates in Washington State won a major victory on April 13 when the Legislature passed a budget and revenue package that not only protected Washington's Housing Trust Fund but allocated an additional $34 million to meet the needs of Washington families and individuals in need of affordable housing. Despite the pressure of a $2.8 billion revenue shortfall, the Washington legislature maintained its historic support of housing programs that work for Washingtonians, thanks in large part to thousands of calls, emails and personal visits from advocates for low income people from across the state.

As is true for most states, Washington had a very difficult legislative session in which elected leaders wrestled with huge budget holes at the same time when the need for government services is on the rise. Leaders in the House and Senate needed all 30 days of the special session to broker a package that balances the budget primarily through reductions but provides $800 million in revenue to prevent more devastating cuts in public structures, including nearly $34 million for affordable housing.

Affordable housing advocates praised the legislature's balanced approach to the budget, noting that continued investment in affordable housing and social services is crucial during the slow economic recovery experienced by Washington families.

WLIHA

WLIHA members meet with their state legislator during the legislative session.

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NEWS

2010 SPRING

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National Sign-on Letter
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National Housing Trust Fund

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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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FUNDING

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WASHINGTON *continued from page 1*

"It is gratifying to see that our legislators understand that a recession is exactly the right time to invest in affordable housing," said Rachael Myers, Executive Director of the Washington Low Income Housing Alliance (WLIHA). *"During these tough economic times, there were a lot of difficult decisions to make, but the legislature affirmed what affordable housing advocates know: investing in affordable housing creates jobs, builds community, and provides housing opportunity for those who need it."*

The Legislature's final capital budget included $34 million for housing. Of that total, $5 million will be used for two projects serving people receiving Disability Lifeline benefits who are homeless and have a mental illness. The newly created Washington Works housing program will receive up to $25 million to increase opportunities for nonprofit organizations and public agencies to purchase, acquire, build, and own real property to be used for affordable housing.

The Legislature's operating budget includes $1 million for the Washington Families Fund to help end family homelessness and $2.6 million for operating support to ensure that homes are affordable to people at the lowest income levels.

Myers attributed the funding victory to strong advocacy and blossoming of a core group of legislative champions. WLIHA singled out the work of Representatives Tina Orwall, Sharon Nelson, Hans Dunshee and Speaker Frank Chopp and Senator Joe McDermott, recognizing each of them as *"Housing Heroes"* at its annual banquet in early April. Orwall was recognized as WLIHA's *"Legislator of the Year."*

The other key to the Washington legislature's continued support of affordable housing is the ongoing coordination and collaboration between Washington Low Income Housing Alliance and Washington State Coalition for the Homeless (WSCH). A partnership that has strengthened over many years of working as allies, WLIHA and WSCH were able to marshal supporters in legislative districts across the state, sending a single, clear message that funding affordable housing and homeless programs is a priority for Washington voters.

WLIHA was formed in 2003 from the merger of two organizations to create a statewide alliance working to ensure everyone in Washington can live in a safe, decent, affordable home through advocacy, communication, and mobilization. WLIHA has more than one hundred members, representing a broad spectrum of the housing industry throughout the state. WSCH is a 27 year old statewide coalition working to end homelessness through advocacy, training and education. WSCH's members, representing every county in the State, include homeless housing and service providers, faith communities, governments, housing authorities, community action agencies, members of the homeless and formerly homeless communities, businesses, advocates and members of the general public.

Working together, WLIHA and WSCH have secured hundreds of millions for Washington's housing trust fund, including winning $200 million for housing in the last biennial budget, the State's largest single session investment in housing. In the current FY09-11 biennial budget, housing advocates were able to secure $100 million for the Housing Trust Fund in the capitol budget and add the nearly $34 million from the supplemental budget.

Keeping the advocates for affordable housing and ending homelessness together in coalition has its challenges, but the dividends of working in concert are undeniable. *"We develop our legislative priorities together, we share mail lists, advocacy tools and action alerts, and have a coordinated legislative strategy,"* said Mia Navarro Wells, executive director of WSCH. *"In an environment with scarce funding, there is always the temptation to break out and protect one's own narrow interest. What the coordination and joint success of WLIHA and WSCH proves is that sticking together is the stronger position."*

Having such a strong commitment to a unified coalition became an even greater asset during the State's budget crisis. Together WLIHA and WSCH were able to prevent proposed cuts of more than $39 million to the Housing Trust Fund, which would have halted projects already underway. Washington's Housing Trust Fund supports the construction, acquisition or rehabilitation of 4,500 owner and rental homes every two years for low-income and special needs populations.

WLIHA

By connecting the issues of housing and homelessness, Washington advocates have built a broad base of support.

In an amazing week of advocacy and activism, the Senate responded to hundreds of emails and calls by taking the proposed cuts off the table. Had WLIHA and WSCH approached the Senate with differing messages, the outcome may have been very different.

"When the legislature hears the same urgency and the same priorities from housing developers, homeless advocates, local governments, service providers, the faith community and business leaders, they are moved to act", said Myers. *"The success of WLIHA and WSCH are always connected because affordable housing is not built on its own and homelessness will not end of its own accord. Only by strengthening and building our movement will Washington finally realize the right of everyone to have access to a safe, affordable home."*

In addition to their successful housing advocacy in the special session, WLIHA and WSCH actively participated in broader advocacy efforts to secure essential funds to prevent devastating cuts to education, health care, and other essential safety net programs for seniors, people with disabilities, young children and other vulnerable community members. The revenue for the $800 million package will be raised by closing tax loopholes and by increasing some taxes on non-essential goods like cigarettes, soda and beer (the last two being temporary increases).

"As advocates, we talk about getting out of our 'silos' but putting that intention into practice is often hard", said Myer. *"This session, when so many community assets were on the line, we came together across issues to fight for a better Washington, and we won."*

washington low income **housing alliance**

Washington State Coalition for the Homeless

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Maryland Gains $2 Million Bond for Housing Trust Fund

In what has been described as one of the toughest budget years in state history, Maryland housing advocates were successful in securing $2 million in new bonds for the Maryland Affordable Housing Trust (MAHT).

The MAHT was established in 1992 to make affordable housing more available throughout the state. Until now, it has been funded with a portion of the interest earned on title insurance escrows from home sales, typically totaling between $3-4 million annually. The amount of revenue received each year depends upon interest earned on title trust monies and varies with conditions in the real estate market. This year, because of the downturn in the housing market, the escrow interest generated half of the typical revenues -- a projected maximum of $1.7 million.

The bond proposal was introduced in two companion bills, SB 263 and HB 587, cross-filed by the respective Chairs of the House and Senate Capital Budget Subcommittees, the members who review and make the decisions on the bond bills.

Advocates secured commitments of support from an unprecedented 27 Delegates, including thirteen of the fourteen Committee members, and nine Senators, including seven of the nine Senate members on the Committee. The Speaker of the House, Michael Busch, also publicly supported the proposal. Members viewed the bond bill very favorably particularly because it assists low-income Marylanders across the **entire** State. A third of Marylanders pay in excess of 30% of their income toward rent, and the state Department of Housing and Community Development reports that an additional 130,315 units of affordable rental housing are needed in Maryland, making the state the 6th least affordable state for housing.

Advocates, coordinated by the Maryland Affordable Housing Coalition, worked determinedly to win passage of the bills, hand-delivering Housing Day invitations to every legislator --188 in all! A record 50 sponsoring organizations and approximately 30 legislators attended the MAHC Housing Day.

Kimberly Fry, MAHC Executive Director said, *"We couldn't be more thrilled to have secured these additional resources for affordable housing in Maryland. Legislators had incredibly tough decisions to make this year and for us to get a line item in the Governor's Capital Budget -- at our full request of $2 million -- was beyond our expectations. We worked really hard to garner the support of the legislators though our Housing Day, by conducting one-on-one visits to legislators, having "Call to Action" e-mail alerts to our membership and even providing a postcard reminder to key legislators on the day before budget decisions were made -- all these efforts helped to ensure our success!"*

The MAHT is governed by an eleven-member Board of Trustees and administered by the Maryland Department of Housing and Community Development. DHCD holds two competitive MAHT funding rounds per year, generally in February and August. The Board, appointed by the Governor, receives applications, develops a process for making awards that encourages a broad geographic distribution of funds, and makes the final funding decisions.

The MAHT may be used to fund:

• acquisition, construction, rehabilitation or preservation of affordable housing;

• capacity-building of nonprofit organizations to develop affordable

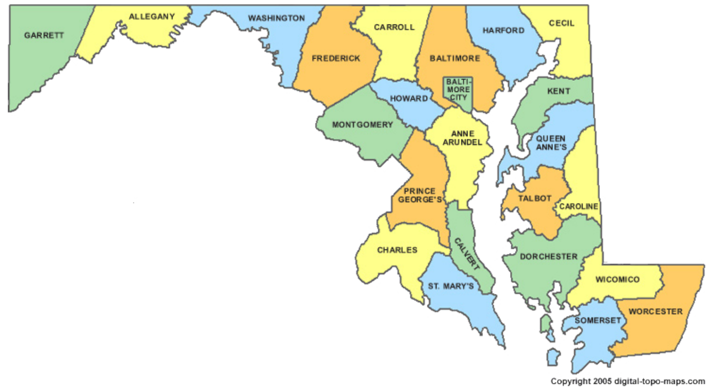
MAHC AND BALTIMORE SUN

Governor Martin O'Malley and Maryland Affordable Housing Coalition Executive Director, Kimberly Fry, watch during a Maryland legislative session.

Maryland Affordable Housing Trust

Awards by Jurisdiction: Rounds 1-30

County	Awards	Amount
ALLEGANY	10	$539,220
ANNE ARUNDEL	39	$2,404,332
BALTIMORE	24	$1,757,330
BALTIMORE CITY	170	$9,974,686
CALVERT	11	$657,465
CAROLINE	6	$316,853
CARROLL	14	$605,863
CECIL	17	$737,278
CHARLES	4	$150,500
DORCHESTER	9	$438,010
FREDERICK	38	$1,556,530
GARRETT	17	$839,764
HARFORD	11	$614,278
HOWARD	16	$728,895
KENT	2	$240,850
MONTGOMERY	45	$2,185,094
PRINCE GEORGE'S	35	$2,240,189
QUEEN ANNE'S	10	$795,480
SAINT MARY'S	8	$518,250
SOMERSET	3	$83,230
TALBOT	4	$297,300
WASHINGTON	19	$1,257,469
WICOMICO	10	$607,857
WORCESTER	9	$488,300



housing, such as hiring and training staff; and

• operating expenses of housing developments, which promote affordable housing.

MAHT provides funds that other state programs do not, to fill gaps in development costs, for pre-development, property improvements to existing affordable housing and for life-enhancing supportive services to the residents of low-income housing. The maximum award amount is $150,000. Nonprofit organizations, for profit developers, public housing authorities, and government agencies are eligible to apply for funding.

Funds are targeted to projects throughout the state that serve households earning less than 50% of area or Statewide median income, with preference given to developments serving the lowest income families – those with incomes at or below 30% of the area median income. Preference is also given to funding housing developments that provide the longest term of affordability, and to funding capital projects serving those most in need of affordable housing. Capital projects include costs associated with the construction, acquisition and/or rehabilitation of housing units. Preference is also given to projects that provide both housing and self-sufficiency assistance for families with minor children or for single adults in need of single room occupancy permanent housing.

MAHT is required to submit a report annually to the Governor and General Assembly that details its complete operating and financial statement and summarizes its activities for the preceding fiscal year.

In fiscal year 2009, MAHT received $1,738,381 from interest earned on title companies' escrow accounts, loan repayments and interest earned on the cash balance held in the State Treasury. From its inception in 1992 through the end of fiscal year 2009, MAHT has received more than $34 million in revenue, including an additional $1 million General Fund Appropriation added in 2007. Of this, in excess of $33 million has been awarded. The balance of approximately $2.3 million, including recaptured and other funds, is available for future funding rounds.

At year's end 1,649 title company accounts were active in the program. In fiscal year 2009, $3,255,693 in MAHT funds leveraged more than $69 million in total project and program development costs, a 1:21 ratio.

Trudy McFall, MAHC Vice President said, *"This is an amazing accomplishment to have $2 million added to the budget by the General Assembly, in what may be Maryland's most difficult ever budget year. We worked hard in reaching out to legislators, but I think it happened because it is an election year and the legislators saw affordable housing as a great need and these funds will serve the whole state and impact every legislative district. We are thrilled."*

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Massachusetts Works to Strengthen the Community Preservation Act

A decade after enacting the innovative Community Preservation Act (CPA), the Massachusetts legislature has taken up a key bill that will help to ensure its continued success. Adopted in 2000, the CPA established a statewide, dedicated Community PreservationTrust Fund financed with fees on real estate transactions filed with county registries of deeds; it also permits communities to establish their own local trust funds to:

- support affordable housing;
- develop new parks, playgrounds, and recreational fields;
- protect open space; and
- preserve historic buildings.

Communities that establish local trust funds are permitted to add a surcharge of up to 3% to local property taxes, with the surcharge dedicated to the local fund. The Community Preservation Trust Fund then matches those resources, up to 100%. Historically, locally-raised funds have been matched dollar for dollar.

In the last year, though, the state's matching grants have shrunk as a result of dwindling revenues from the declining housing market. Less funding then had to be divided amongst the increasing number of jurisdictions that adopted local funds. The average low match was 40 percent last year, and is projected to drop to 28 percent this year according to the state Department of Revenue, which administers the matching fund. Under current law, the minimum match can be as little as five percent.

COMMUNITY PRESERVATION COALITION

The hearing on the CPA legislation SB90 in September 2009.

"Unless the Legislature acts, you'll see less open space being protected, historic buildings continuing to deteriorate, and fewer opportunities for people to have homes they can afford," said Stuart Saginor, Executive Director of the statewide Community Preservation Coalition (CPC).

SB 90, introduced in January 2009, would set a minimum annual trust fund match of 75 percent of locally-raised funds. The bill also provides more flexibility to local communities that would like to participate in the program by broadening the revenue sources used to finance local funds qualifying for matching grants. As long as communities adopt at least a one percent surcharge on real property, they can supplement the fund with other municipal resources, such as a meals tax, and still qualify for a match up to the current 3% limit. The 75 percent match guarantee would be funded by increasing the CPA fee at the registries of deeds, which has not been adjusted since its creation.

The bill would similarly broaden the use of the funds, permitting communities to use CPA resources to address capital improvements to outdoor recreation facilities not originally purchased under the CPA, which is currently prohibited. The prohibition has been especially limiting to urban areas with little open space but many older parks in need of rehabilitation. In other areas current requirements have forced communities to convert open space to recreational use, rather than promoting renovation of existing facilities. All of the changes are likely to improve the attractiveness of the CPA for urban communities, which are currently underrepresented among participating jurisdictions.

Sponsored by State Senator Cynthia Stone Creem and State Representative Stephen Kulik, the bill has 81 co-sponsors from both houses.

MASSACHUSETTS, *continued from page 5*

COMMUNITY PRESERVATION COALITION

Construction of a two-family affordable home using CPA funds in Lincoln, Massachusetts.

It was referred to the legislature's Joint Committee on Community Development and Small Business, which recommended last December that the bill be passed by the House and Senate when the legislature reconvened.

The bill is now before the House Committee on Ways and Means, and the legislature has until July 31, 2010 – the expiration of the current session -- to pass the bill. *"Stabilizing the matching fund is in the best interest of the entire CPA program, so communities can count on some certainty in the match from year to year,"* said state Senator Michael O. Moore, Senate Chair of Community Development and Small Business.

Since its passage, the CPA has been adopted by 142 communities – 40% of the Commonwealth's cities and towns. Municipalities have used CPA funds to:

- create or rehabilitate more than 2,300 affordable housing units and develop hundreds of innovative affordable housing programs;
- preserve more than 10,000 acres of open space, including environmentally-critical wetlands like lakes, rivers, and saltwater ponds; and
- fund in excess of 1,300 historic preservation projects and more than 500 recreation projects.

More than 75 housing, environmental, and historic preservation organizations support the enhancements contained in the bill. *"We are very appreciative of the leadership shown by the committee chairs and by the sponsors of this legislation,"* said Saginor. *"The bill has great benefits for CPA communities to address pressing needs."*

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COMMUNITY PRESERVATION COALITION

The gathering of CPA supporters in the Hall of Flags just prior to the hearing in September 2009.

FAST in Pinellas County, Florida Seeks Accountability with Penny for Pinellas Fund

In Pinellas County, Florida, Faith and Action for Strength Together (FAST) is working to ensure the County meets its promise to the voters to spend $30 million of the Penny for Pinellas to meet affordable housing needs of residents in the County. FAST is a faith-based community organization of the DART (Direct Action and Research Training Center) Network. FAST has some forty member congregations throughout the County.

The Penny for Pinellas is a one-cent sales tax that funds new capital projects throughout the County. Voters approved the first penny in 1989 and renewed the tax for another ten years in 2007. The Penny can only be spent on bricks and mortar projects. The County estimates the tax would generate $1.94 billion over the ten year period. To answer the need for more affordable housing, the Board of County Commissioners dedicated $30 million of Penny funds for an affordable housing land assembly fund. The funds would purchase land to build affordable homes so that more people can live in the county where they work.

However, due to current economic circumstances, revenues from the Penny for Pinellas are not meeting anticipated goals with revenues some $233 million below expectations—a twelve percent decline. The County subsequently adopted a "*pay as you go*" approach to the county's capital improvement budget. While a few planned projects were eliminated or replaced with other funding, the Housing Fund was cut in half. Some programs received full funding and many were cut by 25%, based on priority rankings developed by the County.

FAST believes the County should keep its promise to the voters who approved the tax. FAST points out that the need for affordable housing has not changed and highlighted a recent event on March 23, when the Pinellas County Housing Authority opened its waiting list for Section 8 vouchers for exactly one day—and received more than 9,000 applications for the 200 vouchers available.

On April 19, 2010 FAST held its annual Nehemiah Action to address this affordable housing crisis along with unemployment, and drug and crime activity. More than 3,000 people asked County Commissioners to keep their promise to set aside $30 million to address affordable housing needs in the county. "*We are concerned that there is a growing lack of accountability with our county government. What the county is proposing is breaking a promise made to voters before election day …When you break promises made to voters, there needs to be some public accountability,*" says Rev. Walter Campbell, pastor of Bayview Baptist Church and co-chair of the Affordable Housing Committee of FAST.

FAST

FAST holds its Nehemiah Action with 3,000 participants on April 19, 2010.

FAST demanded answers to a number of questions, including whether the county planned to reverse plans to contribute $15 million instead of the $30 million to an affordable housing trust fund. County Commissioner John Morroni made a commitment to make that proposal. Commissioner Harris sent a letter expressing his support. Largo Mayor Pat Gerard also responded positively to FAST's requests, saying she wouldn't think of not coming to the action. "*If you're not there, God help you,*" she said.

Penny for Pinellas 2010-2020 Allocations

Housing, Jobs, Human Services	3.6%
Environmental Restoration, Protection	9.3%
Parks, Recreation, Culture	12.2%
Drainage, Stormwater Management	8.7%
Public Safety, Hurricane Preparedness	16.0%
Government Facilities	4.8%
Transportation Traffic Flow	45.6%

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San Diego Housing Trust Fund Celebrates Its 20th Anniversary

This month, the San Diego Housing Trust Fund celebrates its twentieth anniversary. On April 16, 1990 the San Diego City Council adopted the San Diego Housing trust Fund ordinance after a multi-year campaign.

A Task Force was created to develop the housing trust fund, with the backing of the Housing Commission and participation by many community members, including the Housing Trust Fund Coalition, with more than fifty members including the Peace and Justice Commission of the Diocese of San Diego, Legal Aid Society, Chicano Federation, Catholic Charities, City Heights CDC, San Diego Interfaith Housing, Saint Vincent de Paul/Joan Kroc Center, SEIU and AFL-CIO, among many others.

TOWNSPEOPLE

This 24-unit apartment compolex was rehabilitated by Townspeople, with support from the San Diego Housing Trust Fund, specifically for the homeless special needs population in San Diego.

The Housing Trust Fund has committed $81.7 million in funds, leveraged another $900 million, to produce more than 5,600 rental homes, rehabilitate 2,000 owner-occupied single family homes, create 1,200 new homeowners, and annually support 550 transitional housing beds for the homeless and those with special needs.

The San Diego Housing Trust Fund receives revenues from a local commercial linkage fee—a fee levied on a square foot basis on commercial and industrial development. The fund is administered by the San Diego Housing Commission. The Commission combines the housing trust fund with the City's inclusionary housing in-lieu fees, passed by the City Council in 2003, into an Affordable Housing Fund. In 2006, the City of San Diego adopted new in-lieu fee assessment procedures to give developers more certainty as to the level of fees associated with their projects.

The San Diego Affordable Housing Fund is part of a Notice of Funding Availability issued by the Housing Commission for a variety of funding sources to help subsidize the construction of below-market rate homes. San Diego enjoys the flexibility inherent in the nature of the Affordable Housing Fund, enabling it to provide a variety of housing opportunities, including rental housing development, transitional housing, rehabilitation to help revitalize neighborhoods, and assistance to first-time homebuyers.

By law, at least 60% of the fund must be used to create housing for lower income households, typically with incomes at 50% or less of the median income for San Diego. Funds also provide administrative support and sustain a program to strengthen the capacity of nonprofit developers. The Trust Fund also can be credited with producing 10,500 construction jobs and 2,500 permanent jobs for San Diegans throughout its twenty years.

Evan Becker, President of the San Diego Housing Federation puts this celebration in perspective: *"The 20th anniversary of the San Diego Housing Trust Fund is a time for celebration by San Diegans--those who fashioned this program, those who used it to build thousands of housing units and house the homeless, and those who are living in decent, affordable housing as a result. It is also a time to remember that the need that provided the basis for this bold step in 1990 still exists."*

Contact: Cissy Fisher, San Diego Housing Commission, 1122 Broadway, Suite 300, San Diego, CA 92101 or http://www.sdmodelschool.net/dbwantdev3.shtml.

New Jersey Housing Advocates Defend Affordable Housing Reforms

The battle for affordable housing continues in New Jersey, where advocates are countering a series of attacks by Governor Christopher Christie and some state Senators designed to roll back recently-enacted improvements in the provision of affordable housing in the state. A500, a comprehensive reform bill signed into law by then-Governor Corzine in July of 2008, included a new statewide developer fee and was expected to generate as much as $163 million for housing for low and moderate income residents. The bill would also have helped ensure that affordable housing is constructed closer to employment and eliminated controversial Regional Contribution Agreements permitting municipalities to pay other jurisdictions to assume half of their affordable housing obligations [for more details on the bill, see the article in our Summer 2008 newsletter].

The Council on Affordable Housing (COAH) was created by the Fair Housing Act of 1985 as the legislature's response to a series of New Jersey Supreme Court cases known as the Mount Laurel decisions, which established a constitutional obligation for each of the 566 municipalities in the state to establish a realistic opportunity for the provision of a calculated fair share low and moderate income housing obligations, generally through land use and zoning powers. In December 1990, the New Jersey Supreme Court directed COAH to determine criteria for development fee ordinances and then to review and approve the ordinances for municipalities. Of the 566 municipalities in the state, more than 300 municipalities are currently participating in the COAH process. COAH has granted credit for approximately 70,000 affordable homes, including 36,000 constructed and another 14,000 rehabilitated homes.

At the beginning of February, Governor Christie issued Executive Order #12, which would have stopped COAH from processing towns' affordable housing plans for 90 days while a task force evaluated the state's approach to affordable housing. Governor Christie has made no secret of his opposition to COAH; during his gubernatorial campaign, he called the agency Trenton's *"worst idea"* and declared that it should be *"scrapped."*

His order was immediately challenged by the Fair Share Housing Center (FSHC), a nonprofit advocate for affordable housing in New Jersey, on grounds that the governor had exceeded his authority, violating the state's separation of powers doctrine, and interfered with implementation of the Mt. Laurel decision. On February 19, the Appellate Division of the New Jersey Superior Court issued an injunction staying the Governor's order and requiring that COAH proceed with plans to build 45,000 new homes until the court had a chance to hear FSHC's appeal. On Friday, March 19th -- the eve of the hearing on FSHC's appeal -- Governor Christie issued yet another executive order, reversing course and rescinding his previous order to shut down the agency.

"Governor Christie has realized that his actions were illegal and unconstitutional," Kevin Walsh, Associate Director of Fair Share Housing Center said. *"He has rescinded his order in an attempt to avoid defending his actions before the courts."* Arguments on the appeal, which had been scheduled for the morning of Monday, March 22, were adjourned by the Court. The state's Attorney General has been permitted to file a motion explaining the content of the new Executive Order and the rescission of Executive Order 12, after which the Court can determine if and how the matter will move forward.

HCDNNJ

Tours in East Orange and Middletown, New Jersey.

The Housing and Community Development Network of New Jersey celebrated community building from the ground up last year by sponsoring a dozen tours around the state to showcase community economic development projects and the impacts they have in communities. Network members and allies working together as county-based Advocacy Teams ran the popular tours.

Advocates were also successful in securing a delay by the full Senate of consideration of a bill, S1, which would have gutted the state's housing policies and reduced the number of homes created near jobs and transit. The vote was delayed when amendments were introduced on the floor, since Senate rules prohibit the body from voting on changes the same day they are introduced.

Introduced by State Senator Raymond Lesniak, the bill would substitute the statutory structure that was established by the Fair Housing Act of 1985 in order to ensure compliance with the Mt. Laurel decisions with municipal self-regulation and reduced state oversight. Among other things, the bill would:

- Authorize municipalities to determine their own fair share obligations and adopt "*ordinances of compliance*" consistent with standards adopted by the State Planning Commission, which would replace the Council on Affordable Housing.
- Require jurisdictions that did not adopt those ordinances to adopt across-the-board inclusionary ordinances requiring a 20% set aside, where up to half of the units could be "*workforce housing*" affordable to households at 80 to 120% of the area median income.
- Abolish all outstanding municipal fair share obligations imposed by COAH, or by "*any law or fact*" prior to the enactment of this bill, providing a "*clean slate*" to municipalities on which to self-determine ongoing affordable housing obligations; and
- Reinstate Regional Contribution Agreements that were pending prior to the effective date of A500 and give municipalities until the end of 2011 to finalize the arrangements.


HCDNNJ *A tour in Hainesport, New Jersey.*

The Housing and Community Development Network of New Jersey coordinated emails and phone calls into Senate offices, and dozens of groups issued letters to members of the Senate in the days leading up to the session, urging the Senate to delay its vote. The organizations include civil rights, clergy, special needs housing providers, non-profit housing developers, tenant advocates, planners and environmentalists. "*We applaud members of the Senate for listening to their constituents and the broad array of organizations opposed to Sen. Lesniak's bill in its current form. We hope that these amendments improve the most egregious elements of this bill, including the luxury condos provision, the developer fee giveaway and the gigantic loopholes that will prevent New Jersey from building the homes that people need,*" said Staci Berger, director of advocacy and policy for the Housing and Community Development Network of New Jersey. "*We look forward to seeing the proposed changes.*"

Meanwhile, the Governor's five-member Housing Opportunity Task Force completed its work last month -- issuing recommendations similar in many respects to S.1 -- that according to FSHC analysis would reduce municipalities' affordable housing obligations by as much as 84-94%. Reversing the elemental provisions of A.500, the task force proposed that municipalities should make ten percent of all new housing affordable based on the residential growth as projected by the State Planning Commission or have the flexibility of using either a different authoritative source or their own vacant land analysis to demonstrate future growth; municipalities would be permitted to transfer up to half of their affordable housing obligation to urban areas under Regional Contribution Agreements; some municipalities would be exempt from providing affordable housing altogether; and all past unmet obligations – totaling about 30,000 homes – would be forgiven. The report also recommended eliminating COAH and authorizing county planning boards to determine whether a town has met its housing obligations. And while the report supports an impact fee on residential construction for the short term given the task force's analysis of the immediate unavailability of other revenue sources, it recommends establishing a long-term solution that would not rely on fees from developers.

"*The process for housing reform in both the Senate and with the Governor's Task Force seems to have gone off track. Going forward, we urge the Legislature and the Executive Branch to fully open the discussion of the housing policy New Jersey needs to all stakeholders and not just the special interests,*" said Adam Gordon, staff attorney for Fair Share Housing Center.

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National Housing Trust Fund Update

At the National Low Income Housing Coalition conference in D.C. , the week of April 12th, both HUD Secretary Shaun Donovan and Financial Services Committee Chairman Barney Frank (D-MA) voiced assurance that funding would be made available this year for the National Housing Trust Fund.

The Secretary said capitalizing the Fund at $1 billion must happen this year. He pledged his commitment to work with Congressional members to get it funded.

Chairman Frank said, "*This is the year I believe that we will fund and make permanent a National Housing Trust Fund.*" He also said that the Congressional Black Caucus has made clear to House leadership that full funding of $1 billion is essential to this year's housing agenda.

On a panel at the conference, HUD Deputy Assistant Secretary for Grant Programs, ,Yolanda Chavez confirmed that the proposed program regulations for the National Housing Trust Fund are at the Office of Management and Budget for review. HUD anticipates that the proposed regulations will be published for comment by July 2010. Should funds materialize for FY2010, the regulations would be issued as interim regulations in order to give states time to obligate funds by the end of this fiscal year.

During a separate conference session, Sheila Crowley, President of the National Low Income Housing Coalition, cited three specific funding sources that could be dedicated to the National Housing Trust Fund as part of housing finance system reform:

- **Fees on Federal Support to Financial Institutions.** The federal government provides private financial institutions with low cost funds through a variety of sources. A five basis point annual fee on outstanding low-cost funding balances could raise several billion dollars a year.
- **Securitization Fees.** Congress could levy a fee on the securitization of mortgages by any capital markets participant.
- **Capital Gains Tax Surcharge.** Homeowners can take a tax deduction for capital gains on the sale of their homes. A 10% surcharge on the percentage of the capital gains that a seller realizes at the time of sale would generate several billion dollars a year.

For more information, go to: www:communitychange.org/our-projects/htf.

The National Housing Trust Fund campaign has launched a national effort to gather organizational endorsements on a letter urging immediate capitalization of the National Housing Trust Fund. Endorsements have been received from all 50 states, the District of Columbia and Puerto Rico.

Now, the goal is to get as many signatories as possible, including organizations from all 435 Congressional Districts, in order to urge every Member of Congress to support funding for the National Housing Trust Fund. Please JOIN the national sign-on letter TODAY. Encourage every organization in your network to sign on.

Let your Members of Congress know that your organization supports the NHTF and that their support of the NHTF will help your state build and preserve housing for seniors, people with disabilities, and families with the lowest incomes and help create needed jobs.

Signatories can be local, state, and national organizations, including nonprofits, congregations, labor unions, corporations, and government agencies. To add your organization, go to www.nlihc.org and click the 'Take Action' on the left side of the home page. Once your organization has signed on, please forward the letter to your network and other supporters. THANK YOU !!