

Model Cities:
Affordable Housing Trust Fund
Best Practices

Model Cities for Review:

Lexington, Kentucky

Louisville, Kentucky

Berkeley, California

Ithaca/Tompkins County, NY

Columbus/Franklin County, Ohio

Polk County, Iowa

Nashville, Tennessee

Fundamentals

Household Income Guidelines

- **Extremely Low Income Household:** income not exceeding thirty (30%) percent of AMI.
- **Very Low Income Household:** income not exceeding fifty (50%) percent of AMI.
- **Low Income Household:** a household having an income not exceeding eighty (80%) percent of the AMI.
- **Moderate-income Household:** Households with income between 80% and 120% of AMI are considered “moderate income.”

All are as defined by the U.S. Department of Housing and Urban Development and are adjusted for household size.

Mission

The Louisville Metro Affordable Housing Trust Fund (LAHTF) was created by Metro Council as a way for Louisville to invest additional local public funds to address the affordable housing shortage for individuals such as working families, seniors, people with disabilities, veterans or others whose wages are not enough to maintain a stable place to live. A place to call home opens the door to opportunity and the whole community does better when everyone has a decent place to call home.

Programs Conform To Municipal Plans and Policies

- City Plans, especially Housing and Land Use Elements
- Area Plans
- Consolidated Plans
- Specific plans or ordinances tied to the Trust Fund or affordable housing (i.e., Berkeley's Everyone Home Plan)
- Assessment of objectives based on needs, often done annually

Community Relations

- Education and Outreach campaigns.
- Readily available, detailed information.
- Public hearings for review processes.
- Programs to normalize people living in public housing.

Outreach and Training Programs for Nonprofits and Developers

- The Barnes Fund (Nashville, TN) created a capacity building program to strengthen the management capacity of local nonprofit developers, with a focus on affordable housing finance and development.
- Berkeley, CA, offers Joint Venture agreements to allow inexperienced applicants to partner with a more experienced lead developer.

“We can solve affordable-housing shortage”

E.J. Thomas: The Columbus Dispatch, Feb. 14, 2018

“When we talk to other communities, they regret not acting sooner, before housing costs skyrocketed. Their advice to central Ohio is to start now, when housing is still relatively affordable compared with other parts of the country. It is now we can get the most bang for the buck from investment of resources. *They also envy our bench strength - the array of nonprofit and private affordable-housing organizations working collaboratively, all of which have the capacity and track record to quickly make use of new resources.*”

Berkeley, California

- Multiple ongoing funding sources for funds
- Comprehensive Housing Trust Fund Guidelines resource booklet
- Multiple innovative strategies for

Lexington, Kentucky

- \$3 Million a year budget
- 6 to 1 Leveraging Goal
- Tiered Maximum Construction Fees
- Developer Fees and Operating Costs Do Not Come From Trust Fund

Maximum Construction Fees (Lexington, KY)

Amount	General Requirement	Builder Overhead	Builder Maximum Profit
\$250,000 or less	6%	7%	12%
\$250-\$750,000	5%	6%	8%
\$750,000 or more	6%	2%	6%

Louisville, Kentucky

- \$8.76 Million allocation for FY2018
- A portion of funds are allocated for housing (support) services
- The LAHTF makes grants and loans to for-profit and not-for-profit developers
- Current priority to rehabilitate vacant houses and apartments
- Promote housing choice in all three rings of City

Ithaca/Tompkins County, New York

- Three Partners and Funding Sources: the City of Ithaca, Tompkins County, and Cornell University
- Ensure that newly constructed or rehabilitated housing units remain affordable
- Rolling application process but with specified landmark decision dates

Columbus/Franklin County, Ohio

- Improved aesthetic appeal of units (to blend in with neighborhood)
- Dedicated funding includes a portion of a hotel/motel tax (City) and a portion of real estate transfer fees (County)
- This year, “The Alliance” developed a three-year start up plan to increase community participation
- Allow longer term loans and innovative repayment schedule

Polk County, Iowa

- \$2 Million a year allocation
- Create an allocation plan each year based on needs
- Support policies that promote higher density development
- Support efficient sites served by transit services and near jobs, schools, and other services
- Allocations for improving existing rental stock

Nashville, Tennessee

- \$10 Million
- MHTF Commission oversees the Barnes Fund
- Create and preserve affordable housing opportunities in Nashville and Davidson County
- Support new construction and rehabilitation projects
- The Barnes Fund donates municipally owned land to qualified projects
- Newly created Nonprofit Organizational Assessment

Applicant Eligibility Criteria

Criteria Maximum Points = 100

- (1) Applicant Track Record 20 points
- (2) Development Budget & Project Leverage 20 points
- (3) Project Readiness & Financial Feasibility 15 points
- (4) Long Term Affordability..... 10 points
- (5) Smart Growth Characteristics 10 points
- (6) Green Building Practices.....10 points
- (7) Project Design & Impact 10 points
- (8) Property Tax Impacts 5 points

(Ithaca, NY)

The Barnes Housing Trust Fund Fall 2017 Round Homebuyer Scoring Matrix

PROGRAM & CONSTRUCTION DESIGN	22 MAX	
Proposed mortgage terms and underwriting are comparable to FHA requirements	2	
Applicant has provided documentation that the units proposed are affordable to the population they are targeting	5	
Pre and post purchase home buyer education is provided by applicant or partnering organization – must be certified program	5	
Specifications & plans are compatible with existing housing stock in size and design	4	
Applicant has architecture plans	2	
Applicant has construction specifications / work write-up	2	
Applicant has site plans	2	

Thank you to the Justice Matters Affordable
Housing Steering Committee!

Rev. Mary Newberg-Gale, Steve Ozark, Dennis Constance,
Monte Soukup, John Meiers, Keela Meiers, Sara Taliaferro