

Policy Tool: Housing Trust Funds and Other Acquisition Funds



Examples: Affordable Housing Trust Fund (Charlotte, NC)
Land Acquisition for Affordable New Development Initiative (MN)

Summary: Housing trust funds and other land acquisition resources not exclusively targeted to transit-oriented development can be used to acquire sites for affordable housing developments near existing and planned transit stations.

Housing trust funds are distinct funds established by city, county or state governments that receive ongoing dedicated sources of public funding to support the preservation and production of affordable housing. Currently 38 states and more than 500 city and counties have housing trust funds, which may choose to use some of their resources to support preservation of affordable rental housing near transit and/or production of such housing.

Charlotte, North Carolina's City Council established a Housing Trust Fund in 2001 with an initial \$10 million to provide financing for affordable housing. Voters later approved an additional \$35 million for the HTF. The trust fund provides public financing to private developers in exchange for affordable units, using a competitive bid process. The funding can be either a loan or grant and can be used either for land acquisition or for construction.

Charlotte has been using its affordable Housing Trust Fund at the same time as it has been building and expanding its transit system. One HTF-supported transit station project is South Oak Crossing. Developed by the Charlotte Mecklenburg Housing Partnership and completed at the end of 2007, this was the first mixed-income housing project in the South Corridor, Charlotte's recently opened light rail system. The complex is on a 10-acre site within walking distance of the Arrowood Station, and includes 100 affordable and 92 market-rate two- and three-bedroom rental units. The \$18 million project used \$4.3 million from the HTF in addition to low-income housing tax credits, bonds and other funding.

Minnesota recently established a revolving loan fund to support the acquisition of land for affordable housing called the Land Acquisition for Affordable New Development (LAAND) initiative. Sites accorded priority include those within one-half mile of a transitway included in the region's planned 2030 transitway system or within one-half mile of a local bus route. The program is funded by Minnesota Housing, the Metropolitan Council and the Family Housing Fund. One of the four projects awarded LAAND funding in 2008 was the Seward Commons mixed-use, transit-oriented development project near the Franklin Avenue light rail station on Minneapolis' Hiawatha Line. The planned development on this four acre site includes 187 units of rental and ownership housing, with nearly 30 percent of the housing affordable.



For additional information: www.communitychange.org/our-projects/htf/housing-trust-funds
www.charmeck.org/city/charlotte/nbs/housing/Pages/HousingTrustFund.aspx
www.metrocouncil.org/services/LAANDdescription.pdf