

Long-dormant Richmond trust fund pays first dividends in support of low-income housing

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In a stone courtyard flanked by well-kept apartment units adjacent to an intersection that was once an open-air drug market, Richmond Councilwoman Ellen F. Robertson beamed.

The complex that hosted a throng of city officials, including Mayor Dwight C. Jones, on Tuesday was restored with the help of \$112,000 from Richmond's Affordable Housing Trust Fund, which had sat dormant since its establishment in 2008.

It is progress, Robertson declared, but not enough.

"The city couldn't make a better investment," she said from a microphone set up at the Cary West apartments on South Meadow Street, "but we're not there yet."

The observation drew applause from a crowd of nonprofit workers, developers and city employees gathered to celebrate the award of more than \$1 million in fund dollars to organizations targeting homelessness and development projects expected to generate affordable housing.

Among the recipients are Virginia Supportive Housing, the Hanson Co. LLC, the Better Housing Coalition, Project Homes and Home Again.

That investment, she said, will support the development or rehabilitation of nearly 200 affordable housing units in a city with a 26 percent poverty rate and too few options for cost-burdened families. Officials said that awards from the fund are designed to encourage the development of these units, which otherwise might not be built.

This round of awards should yield about \$23 million worth of the kind of development the city is working to encourage, according to Robertson.

About 35 percent of households in the city and seven surrounding counties pay more than 30 percent of their income for housing, according to a report commissioned by the Partnership for Housing Affordability that was released this spring.

Monthly housing payments need to fall within the 30 percent threshold to be considered affordable under federal guidelines.

The region will need about 20,000 new units of low-income housing in the next 20 years to meet the needs, said Greta J. Harris, president and CEO of the Better Housing Coalition.

"The need is much greater than the supply," Harris said.

The problem is most acute in the city, where nearly half of households pay more than 30 percent of their monthly income for housing, according to the Partnership for Housing Affordability report.

Pent-up demand for affordable units has long been felt at the city's public housing authority, said agency CEO T.K. Somanath.

A combined 12,000 families are on waiting lists either for housing vouchers or slots in the Richmond Redevelopment and Housing Authority's communities, home to about 4,100 families.

Some 24,000 applicants from across the region and around the nation applied for about 600 available vouchers when the agency opened up a waiting list this spring.

"I think it is good news that the city is putting the money toward affordable housing," Somanath said. "The money is minuscule compared to the demand."

Established in theory seven years ago, the fund was among many state and local trust funds across the nation that saw little or no action during the recession, said Mary Brooks, a senior adviser at the nonprofit Center for Community Change.

That money has been resurgent in recent years across the nearly 750 trust funds established to help provide and sustain affordable housing, said Brooks, who helped popularize trust funds in the 1980s.

In that time, Brooks said, she has not seen one fail to advance its goals.

"I'm not going to lie and say they don't struggle when they're getting set up, and the revenue streams can vary," she said. But "they have the kind of flexibility that people like and need."

She said that one year, the fund may target the redevelopment of boarded-up houses; the next, chronic homelessness.

That range was evident among the grants awarded this year in Richmond. Funds ranged from \$50,000 toward the low end for the Daily Planet's citywide outreach efforts to \$252,000 on the high end to a mixed-income development planned for Jackson Ward. Other recipients are St. Joseph's Villa, HOME and Rebuilding Together Richmond.

Robertson said the money helps fill a void the private sector cannot, a sentiment shared by Richmond Association of Realtors CEO Laura Lafayette.

"The reality is that in order to build sustainable affordable housing units, there typically has to be a subsidy," Lafayette said. "The private sector isn't going to meet that demand on its own; developers wouldn't be able to make any money if all they did was build affordable housing."

It takes layers of creative financing to gain the type of growth the Richmond region needs to see, Lafayette said. But for the trust fund program to succeed, the city would need a dedicated source of funding, she continued.

"There's lots of these funds across the country," Lafayette said, "but they're not successful and sustainable over the long haul unless you have a sustainable source of revenue."

Robertson said she plans to ask that the city put \$5 million toward the fund in its upcoming budget cycle.

"There are always competing needs," Robertson said, "but for this, I will always ask for \$5 million."