



## **Fundless fund** **TRUST FUND WINS SUPPORT BUT NOT FINANCING**

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The Virginia Housing Trust Fund has the support of professional groups and heavy hitters in the Richmond area.

But the fund that would address affordable-housing needs across the state can't seem to get any traction.

The General Assembly couldn't find the money or funding mechanism.

Thirty-nine states and the District of Columbia have housing trust funds, some of which have been in existence for years. The money is used for needs ranging from house repairs to down-payment assistance.

Revenue comes from a hodgepodge of sources. Proponents for the Virginia fund had hoped it would come from property recording fees.

"The current revenue shortfall, which is tied to the housing crisis, demonstrates the importance of housing," said Helen O'Beirne, director of the Center for Housing Leadership, the policy arm of Housing Opportunities Made Equal of Virginia Inc.

Housing is an economic driver, she said. "Decent, affordable housing is a basic human need."

HOME is involved in the Virginia Housing Coalition, a nonprofit organization dedicated to establishing the fund and promoting housing assistance from federal, state and local sources for low and moderate-income Virginians.

"The importance of a housing trust fund is to break up the concentration of poverty that occurs in housing developments mostly in the east end of the city," said S. Buford Scott, chairman of Scott & Stringfellow Inc., a Richmond-based brokerage.

If people who work in Richmond can't find decent, affordable housing in the city, then they drive until they can afford to buy, Scott said.

The toll of living 25 miles away or more involves more than the rising price of gas, he said. It adds to air pollution, increases the danger of driving on clogged highways and requires extra time traveling and away from family.

Scott said he works behind the scenes on affordable-housing issues, bringing together people who know a lot about housing.

Some housing needs are addressed through existing organizations.

The Virginia Housing Development Authority, for example, offers financial and counseling assistance to first-time homebuyers. The Virginia Local Initiatives Support Corp. provides grants to help revitalize neighborhoods.

"Each of these groups can only do so much," said Frances Stanley, a research analyst with the nonprofit revitalization group.

"If there was a state funding source, then even private developers could access it to build affordable housing."

Support for the housing fund is broad and diverse, from builders and Realtors to interfaith groups.

Advocates have pushed for funding for three years. Legislators agree to the premise, O'Beirne said. "The housing fund passes in concept but doesn't muster the cash."

The fund would fluctuate with the economy and not be a huge burden, she said. In good years, when the economy is doing well, it would bring in more money.

"You will see this in every General Assembly session until we get it -- and we will get it," said Laura Lafayette, vice president of the Richmond Association of Realtors.

Virginia had a housing fund in the late 1980s and early 1990s, but it fizzled when the economy declined. Lacking a dedicated source of funding, it relied on appropriations.

Even without a statewide fund, hundreds of localities across the nation have housing funds, including Fairfax and Arlington counties.

Richmond is looking into a trust fund but has yet to find a financing source.

"It is still under discussion, but no ordinance had been introduced yet," said David Hathcock, staff member for Richmond Councilwoman Kathy C. Graziano of the Fourth District.

Fairfax County established its housing fund in 1988. More than \$18 million has created about 1,000 units of affordable housing in the county. For every \$1 collected from real estate taxes, \$7 is raised from other sources to fund affordable housing.

Some localities are not interested, said Stanley. "If there was a state resource, then it could be applied across Virginia."

Once Richmond establishes a fund, it will be a model for other localities in central Virginia, said Lafayette.

"This isn't complicated," she said. "It would not raise taxes. It would dedicate a portion of an existing tax."

Housing challenges run the gamut, Lafayette said. Some people need safe, quality rental housing. Others need financial assistance to buy houses.

"A trust fund would allow us to get at all of these different needs," Lafayette said. Contact Carol Hazard at (804) 775-8023 or [chazard@timesdispatch.com](mailto:chazard@timesdispatch.com).

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