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FOR IMMEDIATE RELEASE:

NEW COALITION PRESSES FOR $2 MILLION INCREASE IN FUNDING FOR THE CITY OF ST. LOUIS’ AFFORDABLE HOUSING TRUST FUND THROUGH REVENUES FROM PROPOSITION 1

Today 27 organizations and multiple individuals representing fair housing, real estate development, banking, education, racial equity, and civic improvement began a campaign to press for an increase in funding of the City of St. Louis’ Affordable Housing Trust Fund.

In letters sent today, the newly formed Affordable Housing Trust Fund Coalition asked the St. Louis Board of Aldermen, Comptroller Darlene Green, and City of St. Louis Mayor Lyda Krewson to dedicate 50% of new Use Tax revenues generated by Proposition 1 to the city’s Affordable Housing Trust fund (AHTF). Approved by voters in April 2017, Prop. 1 earmarks revenues from a new one-half of 1% sales tax for neighborhood revitalization and other economic development, public safety, and planning for MetroLink expansion. It also is estimated to generate almost $4 million in related Use Tax revenue. The move would increase funding to the AHTF by about $2 to a total of $7 million annually.

Expanding the AHTF would deliver substantial benefits to the community which are deeply aligned with the intent of Prop. 1 by:

- Reducing crime and improving property values in low-income communities;
- Replacing vacant properties with attractive, accessible, energy-efficient, and lead-safe homes;
- And stabilizing communities by providing supportive services needed for people to remain in their homes.

AHTFs are universally accepted as a strategic way to build strong communities and draw considerable investment to neighborhoods needing revitalization. They catalyze the development of new affordable housing and help homeowners improve their properties. They have been shown to significantly prevent homelessness, increase property values, build wealth in areas without easy access to capital, and, most critically, increase quality housing options amid an affordable housing crisis both locally and nationwide.
AHTFs also prime the pump for significant investment and collaborative development solutions across private and public sectors. They ideally engage non-profit organizations in new housing ventures that include supportive services for tenants and homeowners. Every dollar spent on home construction and major rehab by the City of St. Louis’ AHTF is matched by $17 in private and public funds, demonstrating that these activities attract local and outside investment. AHTF loans to developers and homeowners are typically repayable, meaning the fund is partially replenished over time.

And yet, since the AHTF was established in 2003, the fund has plummeted from a high of about $13 million in 2003 to about $4.5 million in each of the past several years. Half of the Use Tax revenues were intended for the “development and preservation of affordable and accessible housing.” But as the Use Tax has grown, money that should have gone into the AHTF has been diverted to other programs and services. This loss is compounded by a recent decline in federal contributions through Community Development Block Grants and the HOME Program from $40.2 million in 2003 to $18.8 million last year – a 53% decline when adjusted for inflation.

Despite these funding challenges, St. Louis’ AHTF has created 1,583 new rental units and 184 new homes since its inception in 2002. But the impact of the AHTF could and should be much larger with greater funding.

The Affordable Housing Trust Fund Coalition firmly believes using half of the unassigned Use Tax revenue generated by Prop. 1 to increase the AHTF is a smart, strategic use of taxpayer money with a payoff that will benefit the City of St. Louis for generations to come.

As well as numerous individuals, the Affordable Housing Trust Fund Coalition includes the following organizations: Beyond Housing, City Garden Montessori School Coalition for Neighborhood Diversity & Housing Justice, Community Builders Network of Metro St. Louis, Cornerstone Housing, DeSales Community Development, Doorways Housing, Dream Builders 4 Equity, Excellence in Nonprofit Leadership, Forward Through Ferguson, Habitat for Humanity Saint Louis, Metropolitan St. Louis Equal Housing and Opportunity Council (EHOC), North Newstead Association, Northside Community Housing, Park Central Development, Peter & Paul Community Services, Places for People, Inc., RE Source LLC, Rise Community Development, St. Louis Area Foodbank, St. Patrick Center, St. Louis Association of Community Organizations (SLACO), St. Louis Equity Fund, St. Patrick Center, Team TIF, Trailnet, Voices Of Women, and WellHealth Clinic.