



Meeting the **HOUSING NEEDS**
of Families

A GUIDE TO KEY IDEAS, EFFECTIVE APPROACHES,
AND TECHNICAL ASSISTANCE RESOURCES FOR
MAKING CONNECTIONS CITIES AND SITE TEAMS

part of a series from the Technical Assistance/Resource Center of The Annie E. Casey Foundation

The material in this guide was initially prepared by Rick Cohen, consultant. Dan Pearlman, consultant, made additions and filled in some gaps. Sheila Crowley, executive director of the National Low Income Housing Coalition, and Andrew Mott, executive director of the Center for Community Change, provided thoughtful comments on an earlier draft. Kathleen Noonan, consultant to the Annie E. Casey Foundation, edited the final document, and Catherine Simmons, also a consultant to the Foundation, produced the list of housing resources. Cheryl Rogers of the Center for the Study of Social Policy shaped the guide into its final form.

A list of Technical Assistance/Resource Center Resource Guides appears on the inside back cover.

The Annie E. Casey Foundation

The Annie E. Casey Foundation is a private charitable organization dedicated to helping build better futures for vulnerable children and families in the United States. It was established in 1948 by Jim Casey, one of the founders of United Parcel Service, and his siblings, who named the foundation in honor of their mother.

Headquartered in Baltimore, the Foundation is the largest private foundation in the nation dedicated solely to the needs of vulnerable children and families, with assets of more than \$3 billion. The Foundation's grants are intended to help states, cities, and neighborhoods improve the life chances of the millions of American children at risk of poor educational, economic, social, and health outcomes. For more information, visit the Foundation's website at www.aecf.org.

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preface to family strengthening resource guides

Children do well when their families do well, and families do better when they live in supportive neighborhoods.

This simple premise underlies *Making Connections*, the centerpiece of a 10- to 15-year commitment by the Annie E. Casey Foundation to improving the life chances of vulnerable children by helping to strengthen their families and neighborhoods. The Foundation is working in 22 American cities to promote neighborhood-scale programs, policies, and activities that contribute to stable, capable families.

Making Connections seeks to help families raise healthy, confident, and successful children by tapping the skills, strengths, leadership, and resilience that exist in even the toughest neighborhoods. The initiative is founded on the belief that families and their children can succeed if the people who live, work, and hold positions of influence in distressed neighborhoods make family success a priority—and if there are deliberate and sustained efforts within the broader community and at the state level not only to connect isolated families to essential resources, opportunities, and supports, but also to improve the material conditions of the neighborhood.

The Foundation is dedicated to helping selected communities engage residents, civic groups, public and private sector leadership, and faith-based organizations in efforts to transform the toughest neighborhoods into family-supportive environments. *Making Connections* seeks to enable residents in these neighborhoods to live, work, play, earn decent wages, and interact with family, friends, neighbors, and social institutions in a safe, congenial, and enriching environment.

In order to improve the health, safety, educational success, and overall well-being of children,

Making Connections is a long-term campaign aimed at helping selected cities build alliances and mobilize constituencies at the neighborhood level.

Making Connections has identified three kinds of connections essential to strengthening families:

- + **Economic opportunities** that enable parents to secure adequate incomes and accumulate savings, thus assuring their families the basic necessities of food, clothing, shelter, and health care. To meet this need, communities must address job development, employment training, wage supplements, and asset-building strategies—all of which help ensure predictable incomes, which in turn bolster healthy child development.
- + **Social networks** in the community, including friends, neighbors, relatives, mentors, community organizations, and faith-based institutions that provide neighbor-to-neighbor support and help family members feel more confident and less isolated.
- + **Services and supports**, both formal and informal, public and private, which provide preventive as



MAKING CONNECTIONS CITIES

Atlanta	Milwaukee
Baltimore	New Orleans
Boston	Oakland
Camden	Philadelphia
Denver	Providence
Des Moines	San Antonio
Detroit	San Diego
Hartford	Savannah
Indianapolis	Seattle
Louisville	St. Louis
Miami	Washington, D.C.

well as ongoing assistance, and are accessible, affordable, neighborhood based, family centered, and culturally appropriate. These might include high-quality schools, health care, housing assistance, and affordable child care.

How will we know when Making Connections goals have been achieved?

Making Connections will have succeeded in a city when community leaders and residents have built a local movement on behalf of families that has the power and momentum to accomplish the following:

- + Build on existing efforts and spur neighborhood-scale, family strengthening strategies that reduce family isolation by increasing their connections to critical economic opportunities, strong social networks, and accessible supports and services.
- + Use these neighborhood-scale initiatives to rethink, revamp, and redirect policies, practices, and resources on a citywide scale to improve the odds that all families succeed.

As this movement grows, it will enable each city to know it is succeeding in a number of other ways:

- + When parents have the means, confidence, and competence to provide for their families economically, physically, and emotionally;
- + When residents have people to talk to and places to go for help, support, and camaraderie;
- + When families feel safe in their homes and in their neighborhoods;
- + When children are healthy, succeed in school, and go on to college or a job after high school;
- + When communities offer the resources families need to pass on a legacy of literacy and opportunity to their children.

What do we mean by “family strengthening”?

Family strengthening policies, practices, and activities recognize the family as the fundamental influence in children’s lives. These policies and practices both reinforce parental roles and messages and reflect, represent, and accommodate families’ interests. Family strengthening means giving parents the necessary opportunities, relationships, networks, and supports to raise their children successfully, which includes involving parents as decision-makers in how their communities meet family needs.

A family’s major responsibility is to provide an optimal environment for the care and healthy development of its members, particularly its children. Although basic physical needs—housing, food, clothing, safety, and health—are essential, children also need a warm emotional climate, a stimulating intellectual environment, and reliable adult relationships to thrive.

Threats to a family’s ability to manage its responsibilities come from many sources: externally generated crises, such as a job or housing loss, or internal crises, such as child abuse or estrangement among family members. Unexpected events, such as the birth of a child with a disability or a teen’s substance abuse problems, or more common events, like new jobs, marriages, deaths, and household moves, precipitate potentially destabilizing changes. The family’s ongoing stability hinges on its ability to sustain itself through these disruptions. To help families cope effectively with crises and normal life events, communities need a variety of resources, including adequate and accessible services for children at all stages of their development, effective supportive services for families, and a critical mass of healthy families who can effectively support their neighbors.

Family strengthening policies and practices consider the whole family, not just individual family members. Often, agency protocols and programs

create tensions inadvertently when their focus excludes family needs. A striking example is a well-intentioned nutrition program arranged to ensure that homeless children were fed breakfast, lunch, and dinner at school. The children’s parents and other siblings had no source of food, however, and the program participants had no opportunity to share meals with the rest of their families. Once the program leaders recognized the problem, parents and siblings were included in the school mealtimes, and the program designers learned to reconsider their strategies. Similarly, many welfare-to-work programs report difficulties in job retention because of family stresses—stresses often resulting from the jobs themselves. When a family member finds work, family rituals, logistical patterns, roles, and responsibilities change. More successful programs consider these disruptions ahead of time and develop ways to help the family cope.

What do we mean by “strengthening neighborhoods”?

Families must be helped to thrive within the context of their neighborhoods and broader communities. Job development, for example, should be coordinated with specific local or regional businesses, and community economic development should build on the resources of each unique neighborhood. Connecting families to economic opportunities can have a ripple effect: Just living in a neighborhood where a substantial number of families work can reinforce positive expectations for the children in the neighborhood.

Making Connections recognizes that the informal social networks that are most important to people (their friends, neighbors, faith communities, and clubs) almost always exist at the neighborhood level. Time and time again, these natural helping networks prove most important to families’ abilities to raise their children successfully. One component of strengthening neighborhoods is thus to invest in the

social capital provided by neighborhood-based networks. At the same time, *Making Connections* seeks to widen the networks that families have at their disposal, thereby broadening their aspirations, attitudes, and opportunities. Linking families to broader networks both within and outside their own neighborhoods promises to open up new possibilities for children and parents alike.

Finally, strengthening neighborhoods means placing formal public services in neighborhoods, and making them comfortable rather than intimidating for families. This requires redefining the jobs of public workers so that professionals from several separate mainline systems—as well as natural helpers or informal caregivers—work together in teams and are deployed to specific neighborhoods to take the necessary steps to help families succeed.

The Technical Assistance/Resource Center

The Foundation’s Technical Assistance/Resource Center (TARC) seeks to connect people in the 22 cities to powerful ideas, skillful people and organizations, examples of what works in other communities, and opportunities to develop leadership skills in their own neighborhoods. It provides assistance to the 22 *Making Connections* cities on a range of topics, from building alliances that lead to stronger families in healthier, more stable communities, to diverse strategies that community leaders may pursue in terms of jobs, housing, safety, schools, and health care. TARC responds to the sites’ priorities through a “help desk” approach, which seeks to meet sites’ requests for assistance, and “peer consultation,” where colleagues who have successfully addressed a particular problem help their peers in other communities to frame and solve a similar issue. In this way, *Making Connections* cities can capitalize on the practical knowledge that emerges from on-the-ground innovators.



One component of the Foundation's technical assistance strategy is a set of Resource Guides, including this one. The Resource Guides articulate the Foundation's perspective about issues pertaining to *Making Connections* sites, as well as summarize trends in the field, highlight effective examples, and point to people, organizations, and materials that can provide additional help. The Resource Guides are intended first for Foundation staff, in order to create a common fund of knowledge across a broad range of issues. Second, the guides are intended for residents and other leaders in *Making Connections* cities who may want to learn more about specific subjects.

The precise number of Resource Guides will fluctuate as demand changes, but approximately 12-15 guides will be produced during the year 2000 (see the inside back cover for a list). All guides will address topics aimed at both supporting individual families and strengthening neighborhoods. The guides fall into four categories: (1) Economic Opportunities for Families, (2) Enhancing Social Networks, (3) Building High-Quality Services and Supports, and (4) Techniques for Advancing a Family Strengthening Agenda in Neighborhoods.

The guides in the first three categories address substantive areas in which activities can directly lead to better outcomes for children and families as well as strengthen neighborhoods. The first Economic Opportunity Resource Guide, on jobs, for example, provides information about how to connect low-income residents to regional and local labor markets, allowing families to provide for their basic necessities and contributing to family stability. Simultaneously, successful jobs initiatives fortify the neighborhoods in which they operate, making them more attractive places to live and providing strong incentives for younger residents to participate in the labor force.

Likewise, the Resource Guides in the second and third categories were chosen because they affect both individual families and their neighborhoods. For instance, the guide on housing is intended to help communities provide affordable housing to low-income families, which in turn leads to enhanced housing stock and more desirable neighborhoods. The guide on child care seeks to help communities develop plans for increasing the supply of affordable, quality child care—especially the notoriously hard-to-find care for infants and school-age children, and care during nontraditional work hours. Achieving this goal not only would improve the developmental preparation of young children, but it also would help stabilize parental employment, enhance the viability of neighborhood enterprises, and promote safer, better-connected communities.

The guides in the last category address techniques for advancing neighborhood-based family strengthening work, such as how to develop a communications strategy and how to use data and maintain accountability for specific outcomes.

Additional guides may be developed as new requests for assistance surface from the sites. We view these guides not as an end in themselves, but as a first step in posing and answering some of the most difficult questions we face about how to help families in the toughest neighborhoods. Toward this end, we welcome readers' comments and thoughts on any of the subjects included in these guides.

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executive summary

This guide addresses the serious housing problems faced by millions of low-income families across the country and within the 22 *Making Connections* sites. It is a troubling reality that, during a time of great American prosperity, large numbers of families in the nation's poorest communities live in unsafe, poorly maintained, overcrowded dwellings. Millions of families pay more than half of their income for rent or live in seriously substandard housing. If we put a face on these statistics, the people with the most desperate housing needs include our hotel maids and take-out delivery men, our movers, child care workers, and other minimum wage workers; many of them are also mothers and fathers. They are the families and children whose futures *Making Connections* seeks to change.

The **Introduction** describes the housing problems of many low-income families and explores the Annie E. Casey Foundation's six housing goals for low-income families:

- + Obtain decent, affordable housing for families, especially rental housing.
- + Preserve federally subsidized housing from conversion to market-rate housing.
- + Provide permanent housing solutions for families who are homeless, victims of domestic violence, or otherwise in need of shelter.
- + Ensure nondiscriminatory access to affordable housing.
- + Promote homeownership as an asset-building strategy.
- + Promote mixed-income housing to preclude concentrating poverty in specific neighborhoods.

In light of those six goals, the Introduction gives examples of projects that *Making Connections* neighborhood groups might undertake to help low-income families meet their housing needs:

- + Purchase foreclosed land and property from municipalities at discounted rates and make these properties available to low-income families.
- + Build new dwellings or rehabilitate existing properties.
- + Ensure property maintenance and enforcement of codes.
- + Develop emergency repair strategies.
- + Advocate for more housing options for low-income tenants.

Potential Requests, Opportunities, and Challenges

Making Connections anticipates some of the questions and concerns that people in *Making Connections* sites might have about housing. They could range from how to obtain working capital to finance a real estate development project, to how to effect change in local government, to how to organize and train residents around housing issues that affect a community's quality of life. Current trends and opportunities also are described. For example, *Making Connections* participants might find opportunities for meaningful resident involvement in the federal government's HOPE VI program, which seeks to revitalize distressed public-housing projects through demolition and mixed-income redevelopment. Other opportunities include partnerships between "anchor institutions," such as large retail businesses, and community-based organizations; the development of Housing Trust Funds to secure a dedicated source of ongoing revenue to develop and preserve affordable housing; and financing opportunities through the Community Reinvestment Act, which requires virtually all banks and savings and loan institutions to meet the full credit needs of the communities they serve, including low-income areas.

Site teams also will face serious challenges as they pursue a neighborhood housing agenda. The



“build it and they will come” fallacy, for example, is based on the assumption that newly developed or rehabilitated housing will be immediately scooped up by low-income families. In fact, much of this type of housing is unaffordable to the lowest income families. The “not-in-my-backyard,” or “NIMBY,” phenomenon, typically associated with the more affluent families trying to keep out the less well off, also is prevalent in inner-city neighborhoods—particularly as the arrival of new immigrant groups changes the makeup of many *Making Connections* neighborhoods. Finally, gentrification, or “market creep,” although hailed by many as a blessing, often results in the displacement of the lowest income families, who have few options for housing.

Promising Approaches and Resources identifies strategies to achieve the six goals listed in the Introduction. These strategies are clustered into eight types of approaches:

A. Nonprofit Collaborations and Consolidations help community-based organizations create affiliations, consortia, or even mergers to acquire the financial resources and staff support necessary to deal with complex, inner-city neighborhood development. An example is the Cleveland Housing Network, an umbrella group of 19 community development corporations that redevelop more than 300 homes each year through direct sale and lease-purchase programs.

B. Nonprofit Purchase or Development of Affordable Housing involves the acquisition of dwellings that have been abandoned or whose federal subsidies have expired. For example, the Dudley Street Neighborhood Initiative in the Roxbury-North Dorchester neighborhood of Boston purchased—and even seized—vacant, abandoned parcels of land under its powers of eminent domain.

C. Lease-Purchase Housing, called “rent-to-own,” provides homes for low-income families by allowing a portion of the monthly rent to go toward a down payment for the purchase of the property. The Cleveland Housing Network sponsors one of the nation’s leading lease-purchase housing programs and offers important advice to other interested jurisdictions.

D. Constructing New Human Service Facilities in some neighborhoods has expanded the availability of child care centers, neighborhood primary health centers, and charter schools. An example is found in an inner-city neighborhood in St. Louis, Missouri, where a group came together to transform Jefferson Elementary School, a troubled school located across the street from the Murphy Park Development housing project. The school is now a community asset and an anchor for a new mixed-income neighborhood.

E. Incorporating Support Services into Housing Developments can help address the need for assistance to victims of domestic violence or persons with mental health or substance abuse problems. The Mercy Housing Resident Services Program in Denver, Colorado, is an example of a sophisticated “service enriched” housing program.

F. Establishing Local Intermediaries to help local housing developers build and preserve affordable housing will be a wise choice in some communities. For example, the Community Economic Development Assistance Corporation in Boston is a quasi-public agency established by state legislation to provide technical assistance and predevelopment loans to nonprofit organizations that develop affordable housing in economically distressed areas of Massachusetts. It now manages several revolving loan funds that total more than \$8 million.

G. *Community Banks* are like all other banks except that they are established to meet the deposit and lending needs of a particular community. For example, Chicago's South Shore Bank was created to address concerns over redlining by financial institutions serving Chicago, and it now focuses its efforts on improving the economic health of the neighborhoods it serves.

H. *Tenant Organizing and Advocacy* can lead to a host of benefits: increased state and federal housing resources for low-income residents, policies that strengthen the role of nonprofit housing development, and renewed support for service organizations to meet the needs of low-income families where they live. The Pennsylvania Low Income Housing Coalition, for example, worked with residents in a 333-unit, scattered-site, multifamily development in Pittsburgh to prevent the private owner from opting out of the Section 8 program and boarding up their properties. The residents mobilized to save their homes and then went on to develop a plan to buy and rehabilitate their rental properties and integrate supportive economic and social services into the redevelopment plan.

The **Resources** section of the guide has a list of national organizations that provide information and assistance to communities interested in improving the quality and availability of low-income housing. It includes a sampling of relevant publications. Housing resources in each of the 22 *Making Connections* sites also are listed.

Several **Appendices** provide additional information about housing issues that might be of interest to site teams, including brief descriptions of housing subsidy programs and several tables of data on low-income renters and affordable housing, organized by *Making Connections* site.



Housing is a critical problem for millions of low-income families. Many of those in need are the homeless, including families who live in shelters, in transitional housing, or on the streets. Millions of others, who do have a place to call home, are in unsafe, substandard housing. According to the United States Department of Housing and Urban Development's (HUD) March 2000 report to Congress on the nation's worst-case housing needs, 5.4 million households pay more than half of their income for rent or live in seriously substandard housing. These households—HUD's worst-case group—consist mainly of adults who weave in and out of the labor force, working at very low wages, forced to choose between paying rent or paying for food, clothing, medical care, and transportation. These households are the children and families targeted by the *Making Connections* initiative of the Annie E. Casey Foundation and the current work of the *Making Connections* site teams.

Affordable housing is defined as housing that costs no more than 30 percent of a household's income. In today's real estate market, the only housing many people can afford is overcrowded, unsafe, or physically inadequate, and federal subsidies are available for only a fraction of the people who need them. Unfortunately, the shortage of affordable housing is increasing as more owners convert federally subsidized housing to market-rate rentals and condominiums and demolish rather than improve much-needed public housing. Furthermore, many minorities still face formidable discrimination in the housing market, which not only limits their options of where to live, but perpetuates racial and economic segregation.

The problems of finding affordable, decent housing are worst in inner-city neighborhoods, where *Making Connections* activities are focused. Some analysts argue that the deteriorating quality of low-cost housing, coupled with a concentration of

federal subsidies tied to particular properties, traps the poor in the worst neighborhoods in the country, where crime is rampant and social problems are concentrated. Yet, even in the least desirable neighborhoods, rents have escalated steeply for the poorest of the poor, increasing 28.5 percent, in constant dollars, from 1974 to 1995.¹ Other neighborhoods can be so expensive that they are not practical alternatives for large numbers of low-income families.

The housing problems of low-income families might be exacerbated in *Making Connections* communities as well as nationwide over the coming years, as more families lose federal entitlement payments under Temporary Assistance to Needy Families (TANF). Without this guaranteed payment, a portion of which is for rent, poor families will compete for increasingly scarce federal housing assistance, and many will turn to substandard and unsafe housing, double up with relatives, or use emergency shelters.

In the meantime, the crisis in affordable housing continues to create its own corollary crisis in family well-being, education, and health. Unsafe and overcrowded housing makes parenting difficult and places enormous stress on parent-child relationships. Living in substandard housing can lead to health problems in children—including lead poisoning and asthma and other respiratory diseases—and to poor school performance. Living in poor housing often results in frequent moves, which impede school performance, as evidenced by the lower standardized test scores reported by school districts that have large numbers of transient students.² As the crisis in affordable housing remains unresolved, so too will its effects itinerant families.

¹Andrews, Nancy O. "Housing Affordability and Income Mobility for the Poor: A Review of Trends and Strategies." In *Meeting America's Housing Needs: A Habitat II Follow-Up Project*. Washington, D.C.: National Low Income Housing Coalition, April 1998.

²Cohen, D. "A Community Solution." *Education Week*, Aug. 3, 1994.

HOUSING ISSUES at a GLANCE

- + Of the approximately 100 million households in the United States, 65 percent are owner-occupied and 35 percent are renter-occupied.
- + Some 1.3 million to 2 million people are homeless over the course of a year.
- + Almost half of all renter households (16 million households) have either moderate or severe housing problems, generally related to high cost and poor quality. Thirty-five percent of all renters spend more than 30 percent of their income on rent, and nearly half of these must pay more than 50 percent of their income on rent.
- + One-quarter of all owner households (15.9 million households) report either moderate or severe housing problems, including cost burdens, substandard housing, and overcrowding.
- + Only about 4 million families benefit from funded housing subsidies, either through Section 8 (2.8 million families), public housing (1.2 million families), or other smaller housing subsidies (0.3 million families).

Appendices B, C, and D show the gap between low-cost units and low-income renters in *Making Connections* sites as well as the number and percentage of poor renters who pay more than 30 percent of their income for housing.

SOURCE: 1999 *Advocate's Resource Guide: Low Income Housing Profile*. Washington, D.C.: National Low Income Housing Coalition, 1999.

A. SIX HOUSING GOALS

The Annie E. Casey Foundation will focus its *Making Connections* efforts on six goals that most directly affect family well-being. Although not exhaustive of the many housing concerns of low-income families, these goals provide a starting point to begin a dialogue about housing in any *Making Connections* site. Meeting these goals will directly influence individual families' quality of life and contribute to more stable, livable neighborhoods:

- + Obtain decent, affordable housing for families, especially rental housing.
- + Preserve federally subsidized housing from conversion to market-rate housing.
- + Provide permanent housing solutions for families who are homeless, victims of domestic violence, or otherwise in need of shelter.
- + Promote homeownership as an asset-building strategy.
- + Ensure nondiscriminatory access to affordable housing.
- + Promote mixed-income housing to preclude concentrating poverty in specific neighborhoods.



1. Obtain decent, affordable housing for families, especially rental housing.

Because homeownership is not immediately feasible for many poor families, ensuring affordable rental housing is perhaps the most significant challenge in most poor neighborhoods. For too many families, including many working families, renting decent housing is simply unaffordable. According to *Out of Reach*, a study by the National Low Income Housing Coalition,³ renters in every metropolitan area in the country needed more than a full-time, minimum-wage job to afford the going rent for a one-bedroom apartment. For a two-bedroom apartment, they needed to make at least double the minimum wage.

Not only is the supply of affordable housing dwindling in most urban areas, the quality of the housing stock is rapidly deteriorating. Many rental units are not maintained to meet local housing codes, and renters can find themselves living without heat or with broken appliances. The size of rental units is also a major problem: It is very difficult to find three- and four-bedroom apartments for larger families. The effects can be dramatic. Income is used for housing at the expense of other necessities, and quality is overlooked in favor of affordability. Adults work more than one job, sacrificing family life and parenting, and children are left by themselves or with other caregivers for long periods.

Ensuring affordability involves promoting both the production of new rental housing and the rehabilitation of existing units in a way that keeps housing affordable to very-low-income families. Ensuring affordability also means monitoring the distribution of housing vouchers to assure the local voucher-administering body is managing the program effectively.

2. Preserve federally subsidized housing from conversion to market-rate housing.

Beginning in 1974 and continuing into the 1980s, the U.S. Department of Housing and Urban Development (HUD) entered into contracts with private owners to build or rehabilitate and operate housing for low-income people. Called Section 8 project-based housing, the units have contract terms of 20 to 40 years. Over the past several years, the United States has lost more than 100,000 units of federally subsidized housing as contracts expire or units are converted to middle-income use. Tens of thousands of additional units are at risk as owners are considering prepaying their federal mortgages and opting out of Section 8 project-based subsidies. Property appreciation and escalating rents over the past 20-plus years have made it possible for owners, including inner-city owners, to give up their low-interest mortgages and operating subsidies to raise rents to market level, far beyond what low-income residents can afford. As use and rent restrictions expire, other federal- and state-subsidized affordable housing, including bond-financed housing and low-income tax credit development housing, also will be at risk of conversion to market-rate housing. Congress has made some effort to address the Section 8 housing crisis, but the issue of the long-term affordability of such units remains unresolved.

Simultaneously, publicly owned low-income housing is being lost. Tens of thousands of units are being permitted to deteriorate and become vacant, only to be demolished or converted to other uses. Cities like New York demonstrate that such housing can be well managed and maintained and provide good housing for low-income families at permanently affordable rents—a resource which, once lost, will never be replaced.

³Dolbeare, C. N. *Out of Reach*. Washington, D.C.: National Low Income Housing Coalition, 1999.

3. Provide permanent housing solutions for families who are homeless, victims of domestic violence, or otherwise in need of shelter.

Addressing the multiple needs of homeless families is among the Foundation’s highest priorities, because this group is among the most vulnerable of all disenfranchised people. With 750,000 homeless people living in this country on any given night, and somewhere between 1.3 million and 2 million people homeless over the course of a year, there will likely be substantial homelessness in *Making Connections* neighborhoods. Homelessness often stems from a lack of affordable housing, shrinking real incomes from wages and benefits like TANF, and a decrease in treatment and support services for low-income people. Some families or individuals need shelter because they are victims of domestic violence or other emergencies. A sudden illness, the loss of a job, or another unexpected hardship can easily catapult a poor family onto the streets.

There will always be a need for a certain amount of emergency housing, but many housing advocates believe that the creation of numerous “shelter” options has done little more than institutionalize homelessness—particularly during a period of reduced federal support for the maintenance or creation of low-income rental units. It seems logical that the energy and resources used for creating temporary housing would be better invested in creating permanent housing, which would enable families or individuals to receive needed support services in a stable environment. It will be important for *Making Connections* site teams and participants to explore the scope of the emergency shelter needs in their neighborhoods, enumerate existing beds, determine resource gaps, and assist neighborhood residents in linking the problems of “shelter” to permanent housing solutions.

4. Promote homeownership as an asset-building strategy.

Owning a home is the way most families start to accumulate assets. Homeownership can provide physical, emotional, and financial security to low-income families—particularly for families with stable incomes—and can assist in strengthening neighborhoods. For these reasons, many *Making Connections* communities might choose to help low-income families purchase homes through financial incentive packages.

Because each neighborhood is different (in terms of condition and type of housing stock and affordability issues), *Making Connections* site teams and participants might want to pursue alternative forms of homeownership. For example, a co-op or “mutual home” offers the opportunity to build personal assets while distributing responsibility for maintenance. Co-ops are typically apartment buildings in which residents share equally in the financial burdens of repair and maintenance. “Mutual homes” are usually groups of single-family homes where the owners form an association to share maintenance costs. In cities like Des Moines, Iowa, for example, where the housing stock is primarily single-family homes, mutual homes could offer the most promising opportunity for homeownership among low-income families. Site teams might want to inquire about these forms of alternative homeownership.

That said, it is important to recognize that homeownership is by no means a panacea. Only a small portion of low-income residents are immediate candidates for homeownership because owning a home is expensive. Most poor families cannot afford to own their own homes once the costs of maintenance are considered. In fact, many residents may find it wise to avoid ownership if homebuyer assistance is limited to the time of purchase (i.e., down payment assistance or waivers). *Making Connections* site teams and participants must be prepared,



together with neighborhood residents, to weigh carefully the costs and benefits of homeownership development.

5. Ensure nondiscriminatory access to affordable housing.

Individual and systemic discrimination is widespread, and it affects large groups of people, including racial minorities, people with disabilities, and families. “Predatory lending,” for example, is the practice of imposing egregious lending terms so that the cost to the borrower is unreasonable and significantly exceeds the borrower’s risk profile. Recent publicity about these practices by companies that extend credit to low-income borrowers has led to increased scrutiny by federal regulators. Federal Reserve Chairman Alan Greenspan has stated the Federal Reserve Bank is working to address predatory lending issues and has convened an interagency group to identify barriers and suggest methods to address them.

An important tool in combating housing discrimination is found in the federal fair housing laws and in corresponding state and local statutes. Local advocates

should be adept at recognizing and reporting fair housing violations and at helping community residents assert their fair housing rights. This is especially important in the use of Section 8 vouchers—a primary source of housing assistance for very-low-income residents—because landlords are not required to accept vouchers in most places and may decline to accept a voucher holder (i.e., a tenant) as proxy for some form of illegal discrimination.

6. Promote mixed-income housing to preclude concentrating poverty in specific neighborhoods.

The massive high-rise housing projects built in the 1950s and 1960s have proven, in many cases, to be bad social policy because they concentrate poverty and disenfranchisement into relatively small sections of neighborhoods. Many of these projects have been poorly managed and maintained, and they are cut off from the social services and supports that sustain viable communities. Many believe that the most vibrant neighborhoods are ones where there is a mixture of low- and moderate-income households, and this may well be a goal of many of the *Making Connections* sites when feasible.

However, *Making Connections* site teams and participants should be aware that the seemingly ideal goal of mixed-income housing can have a negative effect on a neighborhood’s poorest residents. Transforming a neighborhood from concentrated high-rise projects to mixed-income, lower density housing can dislocate some residents and create housing that residents can no longer afford. For example, in 1992 HUD created the HOPE VI program to revitalize distressed public-housing projects. Many HOPE VI projects have replaced demolished high rises with two- or three-story multifamily dwellings. Although the positive outcomes of HOPE VI are many, some critics contend that very few former public-housing residents live in the newly constructed or renovated HOPE VI housing.

WHAT community DEVELOPERS DO

ENGAGE FAMILIES through a neighborhood home page, for example, or a database through which families can exchange services.

CONNECT RESIDENTS to jobs through access to e-commerce, on-line employment searches, or a job skills bank.

STRENGTHEN EDUCATION through computer labs, interactive learning, or Internet access.

Although the reasons for this are complex, the caution for *Making Connections* site teams and participants is noteworthy.

B. WHAT KINDS OF PROJECTS MIGHT BE UNDERTAKEN?

In many *Making Connections* sites, residents, community advocates, and public and private sector representatives come together to review the housing needs of their target neighborhoods. The group could decide to take on a housing issue or some aspect of real estate development in a neighborhood. *Making Connections* neighborhood groups could find themselves working on any of the following scenarios:

- + taking advantage of an opportunity presented by a vacant multifamily apartment building that could be redeveloped to contribute to neighborhood stability
- + undertaking construction of new homes on vacant, garbage-strewn lots that could be used for residents eager to make the transition from rental to ownership
- + helping tenants buy and rehabilitate an occupied building where the tenants, tired of the lack of basic services and upkeep from existing private owners, establish themselves as a nonprofit corporation or cooperative
- + organizing residents and tenants to block demolition of a much-needed public-housing development
- + coordinating the acquisition, rehabilitation, and resale of vacant homes or the acquisition and restoration of a neighborhood shopping center
- + asking a municipality to turn over or sell property (at a discounted rate) acquired through tax foreclosure, and then rehabilitate and sell or rent the property to low-income residents
- + working to ensure that local housing codes are enforced, including providing sufficient heat and hot water and ensuring that properties are kept safe and secure
- + helping to make loans and grants available so that landlords can afford to make needed improvements without hiking rents
- + persuading the public sector to intervene to provide emergency repairs for seriously troubled private properties (or emergency heat and hot water) or even to turn over privately owned properties to private “receivers” for interim management until properties are brought back up to code
- + advocating for affordable housing by helping nonprofit organizations obtain technical assistance, political support, grants, and loans from state and local governments to assist with the purchase and preservation of at-risk federally subsidized housing
- + organizing tenant councils in public and assisted housing to ensure they are represented in decision-making about such matters as the quality of management and maintenance of their buildings

Any of these types of real estate development projects could be pursued by a group of concerned citizens and community leaders in *Making Connections* neighborhoods, although they are all ambitious undertakings that usually require substantial outside help from intermediaries or existing community development organizations. Interested groups should first define the greatest housing needs, develop strategies to address the priority needs, and conduct a feasibility analysis before undertaking any design or predevelopment planning. With careful and thorough planning, community groups in *Making Connections* cities can sponsor critical housing and community development initiatives that allow more low-income families to live in decent, affordable housing.



C. ADVICE TO SITE TEAMS: WHERE TO START?

To understand each site's housing issues, *Making Connections* site teams and participants should ask for a copy of the site's Consolidated Plan (ConPlan). The plan is a document a city or county must submit to HUD that details the community's housing and community development needs and priorities and describes how the community will use HUD resources to meet its needs. ConPlans are submitted every five years, and Annual Action Plans are provided in interim years.

Although the quality of ConPlans can vary from one site to another, they could be the best source of information about a site's housing needs and about strategies to meet them. The ConPlan estimates the number and income category of families who need housing assistance; identifies areas that will be given priority within the jurisdiction; and describes the nature and extent of homelessness in the jurisdiction as well as the number, condition, and cost of housing units compared with identified needs.

In most cases, the office responsible for developing and making a ConPlan available is either the city or the county department of housing and community development, although the name of the organization will differ from one place to another. Generally, the agency that administers the federal Community Development Block Grant program will submit the plan.

It is important to remember that the use of federal housing funds should correspond to the housing needs assessment outlined in the ConPlan. The plan also should reflect resident participation, and it is subject to review and rejection by HUD based on resident input. Local advocates should monitor the development and implementation of the plan and speak up if it does not address housing needs adequately.



potential requests, opportunities, and challenges

A. WHAT ISSUES MIGHT NEIGHBORHOOD RESIDENTS AND LEADERS RAISE ABOUT HOUSING?

+ Seed Capital

Community developers, especially nonprofit organizations, are likely to ask for help in obtaining seed capital grants and high-risk, forgivable predevelopment loans. These funds are used to pay the up-front costs of assessing project feasibility, hiring architects and engineers, and completing the work that is necessary before presenting the project to private and public sector financing sources for longer term financial support. This up-front money usually is sought from city and state housing agencies and local loan funds, such as bank consortia or community development loan funds. Local, regional, and national nonprofit intermediaries, such as Mercy Housing, the McAuley Institute, the Corporation for Supportive Housing, the Enterprise Foundation, and the Local Initiatives Support Corporation, also provide seed capital, gap financing, and sometimes up-front financing. Although some cities make strenuous efforts to put together a package of four or five sources of predevelopment financing for community developers, most are still insufficient, especially with regard to predevelopment planning funds.

+ Working Capital

Communities will want to know where they can obtain money for a real estate development project and what financing package will support property purchase, construction, or rehabilitation. There are several different potential sources: banks for construction and permanent financing; nonprofit community loan funds (now known as “community development financial institutions”) for financing the gap between what a bank might provide and what is actually needed; local governments for loans

and grants that reduce or eliminate some of the costs involved in the project; and private investors, particularly those that support the creation of affordable rental housing through investments in the federal Low Income Housing Tax Credit. Some local governments also provide working capital directly or through local intermediaries.

+ Project Subsidies

Neighborhood groups are constantly searching for new sources of project subsidies, including those that reduce the monthly rent payments of low-income tenants. Although communities might request private long-term financing and subsidies, most foundations believe that money for these purposes should come from banks and state and federal governments, including HOME, Community Development Block Grants, housing trust funds, and taxable and tax-exempt bonds. (*For more detailed descriptions of housing subsidy programs, see Appendix A.*) Areas that might be most appropriate for foundation funding include research, education, and advocacy efforts around housing issues; preliminary feasibility studies; and predevelopment financing. Although project-based housing vouchers also could be an option, their use is limited in many communities where rents are higher than vouchers will pay and where property owners reject voucher holders.

+ Changing Local Government

It is likely that *Making Connections* sites will look to foundations and other outside intervenors as allies in making the case for systems improvements in housing, commercial development, and land-use issues. For example, to acquire neglected parcels for neighborhood parks or gardens or to rehabilitate or build new housing, residents in *Making Connections* sites might seek assistance in using the city’s powers of eminent domain (the right of the government to acquire property for necessary public use by



condemnation) or tax foreclosure (the process of enforcing a lien for nonpayment of delinquent property taxes). Similarly, because land use is controlled by the zoning decisions of local governments, residents could try to become more involved in neighborhood or city land-planning issues. Many *Making Connections* cities will have a Master Plan, in which a city sets forth an overall development concept used to coordinate more detailed plans for land use. The Master Plan is a good place to start in understanding local housing issues. Also, monitoring the work of the local planning commission and zoning boards provides excellent insight into a jurisdiction's housing agenda.

+ Resident Organizing

The tenants who are most affected by decisions about the future of a neighborhood's rental housing, or its public or federally assisted stock, are seldom organized enough to influence decision-makers. Consequently, there is a great danger that their interests will be neglected, greatly increasing the chance that buildings will be poorly managed and maintained, rents will skyrocket, or property will be converted to more profitable uses. Tenants might seek help in organizing resident councils to represent their interests to property owners and local government agencies. Additionally, tenant councils need aid from attorneys and housing specialists when they face tough technical issues concerning alternative futures for their housing. Financial and technical assistance and other support can greatly increase tenants' chances of improving their own housing conditions and the overall condition of the surrounding neighborhood.

B. WHAT ARE THE TRENDS AND OPPORTUNITIES ON WHICH SITES CAN BUILD?

Eleven subsidy programs that can help support a local housing agenda in *Making Connections* sites are described briefly in Appendix A. More specifically,

Making Connections sites might want to take advantage of the following opportunities with regard to low-income housing:

+ HOPE VI

Congress created HOPE VI, a HUD program, to revitalize distressed public-housing projects. Projects frequently are designed as urban villages, which include commercial shopping, human service facilities, and more of an income mix than is found in most inner-city public-housing projects. Many HOPE VI projects call for both on-site housing (rebuilding in a project's original location) and off-site housing (providing resources for housing elsewhere in the city to reduce density at the public-housing site). The off-site housing often targets tenants who are leaving public housing to become homeowners. Although HOPE VI's mixed-income goals have been criticized by many housing advocates as resulting in the permanent dislocation of former residents, *Making Connections* site teams can counteract this by supporting residents to ensure tenant participation in the development process.

+ Anchor Institutions

Major institutions located in inner-city neighborhoods sometimes form partnerships with community-based organizations to take on broad community development projects. In Philadelphia, for example, the University of Pennsylvania was a major impetus behind the formation of the West Philadelphia Partnership, which supports a variety of community-based housing rehabilitation and improvement activities. In Hartford, Connecticut, Trinity College is working with at least three nonprofit community organizations in the comprehensive revitalization of Frog Hollow and other neighborhoods. Hartford's partnership emphasizes the role of its southside institutions, which include local hospitals, the college, and community development corporations (CDCs). Identifying institutions located in or adjacent to low-income neighborhoods—particularly universities

and hospitals, but also corporate headquarters or manufacturing plants—can give neighborhood groups interested in real estate development access to capital and expertise.

+ **Conversion**

Over the years, upwards of one million apartments have received various federal subsidies whose affordability time limits are about to expire. The potential for conversion of these properties by their owners presents an opportunity for residents to organize and for nonprofit developers to work with tenants and owners to purchase these apartment buildings and maintain them in the affordable-housing inventory. Under current federal requirements, owners who are planning to terminate their mortgages or opt out of their Section 8 contracts must provide HUD and residents with notices of their intent. HUD's Mark to Market program provides various financial benefits to owners who either decide to continue the subsidies or sell to an owner who will preserve the use restrictions. HUD also has selected intermediaries to provide, on a competitive basis, grants to resident groups, community-based nonprofit organizations, and public entities to assist them with capacity building, predevelopment, and other expenses. Some states and cities also make funds available to help preserve the threatened units.

+ **Neighborhood Supermarkets**

Development of neighborhood supermarkets is important to many low-income neighborhoods. Over the last 20 years, many supermarket chains have pulled out of neighborhoods because of residents' low incomes and fears of crime and pilfering. But attitudes appear to be changing: Although the average family in low-income neighborhoods earns much less than its counterpart in the suburbs, the aggregate income per block or per square mile can be quite high. Supermarket chains—including Pathmark, Piggly Wiggly, Winn's, the Boys, and others—in search of sites that will accommodate

40,000- to 60,000-square-foot stores have begun to partner with community organizations to return commerce to low-income neighborhoods.

+ **Community Reinvestment Act Opportunities**

Enacted by Congress in 1977, the Community Reinvestment Act (CRA) outlaws the practice of “redlining” by banks and other financial institutions. It requires that banks and savings and loan institutions that hold federal deposit insurance help meet the full credit needs of the communities they serve, including low- and moderate-income areas. A companion law, the Home Mortgage Disclosure Act, requires financial institutions to keep records of their home mortgage loans by geographic area. The best opportunities for advocates to get involved arise when a financial institution revises its CRA plan, undertakes a merger or some other activity that requires federal approval, or is evaluated by the government. Community groups throughout the country have entered into CRA agreements with financial institutions that have committed banks to spending almost \$400 billion in low- and moderate-income programs in addition to addressing other local concerns.

+ **Housing Trust Funds**

Trust funds are an excellent example of how advocates throughout the country have persuaded local and state governments to create new programs to support the development and preservation of very-low-income housing. Typically, housing trust funds have a secure and dedicated source of constant revenue and a commitment to use the funds to develop and preserve affordable housing for lower income households, including the homeless. Trust funds are found in several *Making Connections* cities, including Boston, Denver, San Antonio, San Diego, and Seattle. More information is available from the Housing Trust Fund Project of the Center for Community Change. (See the *National Organizations* portion of the *Resources* section of this guide.)



C. WHAT CHALLENGES MIGHT SITES FACE?

Making Connections site teams and participants should be aware of pitfalls as they talk to community leaders about housing and community development plans.

+ **The “Build It and They Will Come” Fallacy**

All too many nonprofit groups assume that whatever housing (or commercial space) they build or rehabilitate will immediately be scooped up by families in need of better places to live. As a result, many community-based nonprofits build inventories they cannot sell or rent quickly or easily. One contributor to this problem is the expectation, often imposed by local government, that nonprofit developers will build housing for the upper stratum of the eligible population of low-income residents, who might have more housing choices than do the poorest residents. For example, a city might want to promote homeownership (an asset-building strategy that often has good bipartisan support) when the most serious housing need in the community is for development or maintenance of lower income rental units.

+ **Hidden Costs of Promoting Homeownership**

Owning a home is expensive, and many poor families cannot afford to buy homes once maintenance costs are considered. In fact, many should be counseled against ownership if homebuyer assistance is limited to the time of purchase (i.e., to down payment assistance or waivers). Indeed, low-income families who invest all their resources in a home might not be able to weather a crisis such as a serious illness or job loss, placing them at risk of losing their home and, with it, everything they own.

Because the pool of potential homeowners among low-income families is relatively small, communities must weigh carefully the costs and benefits of homeownership development. For example, some communities have chosen to spend up to \$30,000 or even \$40,000 per unit in mortgage, insurance, and real estate tax subsidies for low-income residents to

purchase homes, when this same amount of money could rehabilitate ten or more rental units for poor families.

+ **Permanent Underproductivity**

Although some community organizations have had considerable success in the housing arena, too many community-based nonprofit developers sponsor small projects that take forever to complete, costing far more on a per-unit basis than some of the worst private development projects. Admittedly, low-income housing development takes time and requires substantial resources, especially in expensive real estate markets, such as in California, Boston, or New York. Site teams should ensure that small community groups fully understand all the risks involved in developing affordable housing, and they should urge groups that do not have sufficient capacity to seek partnerships with experienced developers.

+ **Market Creep and Gentrification**

Gentrification has more than one meaning. To some, it means in-migration of middle-class people into deteriorated urban neighborhoods that have potential for renewal. To others, it means transformation of a neighborhood into one that long-time residents can no longer afford. To overcome decades of housing policy that de facto promoted segregation, mixed-income housing permeates federal housing policy today. Although diversifying the socioeconomic composition of the poorest neighborhoods is an important goal, building higher income housing that either directly displaces lower income households (because of the new development) or indirectly displaces them (because of gentrification) is counterproductive. While conceptually gentrification can be positive, it must be accompanied by a first principle of sufficient resources and ensuring a place for everyone.⁴

⁴National Low Income Housing Coalition. *Briefing Paper on Housing Issues*. Baltimore, Md.: The Annie E. Casey Foundation, February 2000.

+ **Competition from the Private Sector**

In cities such as Washington, D.C., New York, and Boston, some inner-city neighborhoods are so “hot” that private developers are competing with CDCs for development opportunities. In others, private developers are eyeing federal and local subsidies as important development incentives—and profit opportunities. This competition can make it more difficult for CDCs to get the funds they need to serve low-income tenants, while diverting government subsidies to other uses.

+ **“Not In My Back Yard”**

Many people are staunchly opposed to housing, facilities, and shopping that might serve or attract the poor. The NIMBY phenomenon is not simply a matter of the rich trying to keep out the poor, however. In inner-city neighborhoods, people who are marginally above low- or moderate-income often strongly oppose efforts to increase the supply of low-income housing—particularly as the arrival of new immigrant groups changes the make-up of many *Making Connections* neighborhoods. Many nonprofit community developers run into strident opposition to providing housing opportunities for residents from public-housing projects. In many other cities, race-based NIMBY opposition to various neighborhood developments exists under a thin veneer of concerns about “housing density,” “overconcentration of services and facilities,” or “too much rental housing.”

+ **Deals from Hell**

No community organization that decides to get into the housing game should underestimate the complexity of financing arrangements. The more sources of financing—and having as many as ten different sources is not uncommon—the more complex the project will be in terms of assumptions, negotiations, and reporting requirements. The Low Income Housing Tax Credit is one of the worst culprits, notorious for its remarkable complexity and

numerous pitfalls. Although national intermediaries such as Local Initiatives Support Corporation and the Enterprise Foundation can assist with tax credit issues, community groups should consider that they add the interests of investors and syndicators to the base problem of dealing with multiple sources of financing. Site teams and participants should make sure that new developers fully understand the risks and various demands on their time and financial resources.

+ **Allocating Resources Within a Community**

In assessing how a local jurisdiction allocates resources among neighborhoods, it is important for site teams to recognize that some municipalities “triage” neighborhoods for housing and physical development, investing resources in neighborhoods they believe have strong potential, while providing relatively minor investments in neighborhoods deemed to be “too far gone.” This tendency among municipalities is not much different than it is when funders concentrate resources on neighborhoods where there are significant opportunities for impact and leverage. This tendency bears watching if neighborhoods targeted for *Making Connections* are left out of the resource pie.



promising approaches and resources

The challenges in the housing field are so great that many of yesterday's stellar models are today's collapses. Nevertheless, there are some cutting-edge practices that bear watching, and several exemplary organizations (not all of which can be described below) provide assistance to low-income communities interested in revitalizing their physical and social environment. *Making Connections* site teams should note that there are many more models and success stories than can be mentioned here and that, although these examples are encouraging, success factors vary tremendously from community to community.

A. NONPROFIT COLLABORATIONS AND CONSOLIDATIONS

The Idea

Real estate development in inner-city neighborhoods requires significant external reinforcement from foundations and intermediaries in order to succeed. As a result, some community-based organizations are creating affiliations, consortia, or even mergers to acquire the financial and staff bulk necessary to deal with underfunded, problematic development projects. Rather than take on projects alone, neighborhood groups are banding together to share staff and sometimes financial resources—particularly in the development of for-sale homes, where the volumes tend to be low and do not generate sufficient fee income for groups to sustain a full complement of development staff.

What to Look Out For

Collaboration among nonprofit organizations does not always work. People work together in partnership when the benefits are clearly understood and those benefits outweigh the costs (investment of

time, sharing of resources, or opportunity costs associated with what is possible if one operates outside the partnership). According to the Cleveland Housing Network (described below), there are some “rules of the road” for creating collaborative community development initiatives. Most important, the new entity must have great staff, fees must flow to the member CDCs (community development corporations), and the principle of local control must prevail. Without these last two factors, CDCs will lose interest and eventually view the collaborative effort as a threat.

The Idea in Practice

One model for this kind of consortium is the **Cleveland Housing Network (CHN)**, which centralized and standardized many of the elements of the single-family production process for its 19 member CDCs. The result is a single-family production system that annually redevelops more than 300 homes through CHN's Homeward (direct sale) and lease-purchase programs. Although the actual acquisition and development tasks might be shared between CHN and its member CDCs, CHN retains ultimate owner and developer accountability, including fiscal responsibility for all phases of acquisition, development, and sale or management of its lease-purchase program. The relationship between CHN and individual CDCs is flexible and varies according to a CDC's interest or capacity. At a minimum, the CDC is responsible for shaping and representing the community's interests in a continuous redevelopment strategy and for maintaining a positive political climate for affordable-housing development.

The actual tasks of acquisition and development can be shared between a CDC and CHN, or CHN can act as a turnkey developer, providing all aspects of

the acquisition, development, and sale (or management) process.

In its typical shared-responsibility model, a CDC's duties usually include researching vacant homes or lots; preparing rehabilitation specifications; presenting the property to CHN's Acquisition Committee, which is similar to a loan committee; managing day-to-day construction; and assisting in marketing the property to interested buyers or maintaining a waiting list of qualified families for the lease-purchase program. CHN's responsibilities include maintaining quality control, making the final decision to purchase a property, managing the bidding process, hiring general contractors, and overseeing construction and payments.

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In South Central Los Angeles, **Beyond Shelter**, a private nonprofit agency, is the lead agency in a consortium dedicated to developing a family services and child care center in a traditionally underserved area of the city. Beyond Shelter has acquired and is rehabilitating a 22,000-square-foot property in South Central that will house family social services, job development programs, and classes. The family services center will be adjacent to a child care center, which will serve 60 children and be operated by Drew Child Development Corporation through a long-term renewable lease. In addition, meeting rooms and offices will be made available to other community agencies to provide services and conduct on-site programs. Beyond Shelter is responsible for acquisition, construction, and financing for the child care center—elements of the development process

that often present formidable obstacles to most service agencies—and for financing continuing maintenance of the site.

This type of collaboration represents a new area for Beyond Shelter, which traditionally has taken on responsibility for development and implementation of social services programs. In South Central, Beyond Shelter recognized that there were reputable, established child care providers that offered the quality and kind of service envisioned, but that were prohibited from doing so by the formidable tasks of acquisition, development, and financing—tasks that a consortium could do. Development funds were also made available for the collaboration by Enterprise Child Care, Inc., the child care affiliate of the Enterprise Foundation.

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B. NONPROFIT PURCHASE OR DEVELOPMENT OF AFFORDABLE HOUSING

The Idea

As described earlier in this guide, an estimated one million apartments have received various kinds of federal subsidies that are about to expire. The potential for conversion of these properties by their owners offers an opportunity for residents to organize and for nonprofit developers to work with tenants and owners to purchase the apartment buildings and maintain them in the affordable inventory. Nonprofits are discovering other mechanisms to purchase and develop affordable housing, including obtaining abandoned dwellings through tax foreclosure or other

local police powers. Those mechanisms have taught residents that they, together with local community groups, can change the face of a neighborhood.

What to Look Out For

Not every nonprofit was meant to be a housing developer. “Housing deals from Hell” are a reality and, in the best of circumstances, are major undertakings that require intensive staff commitments and readily available predevelopment planning funds. The financial toll of a “sour” deal should caution any nonprofit from racing into the development game. Partnering with an experienced nonprofit financing intermediary, such as those affiliated with the Local Initiatives Support Corporation (LISC) or the Enterprise Foundation, is one way to ensure that an experienced nonprofit obtains the guidance it needs. However, not every neighborhood group needs to become a developer to have a major and positive influence on affordable housing—particularly in cities where there are too many nonprofit developers competing for limited resources. A reasonable alternative to specific financing and construction of housing or commercial buildings might be to give community organizations significant input into the design, terms, and oversight of the process. In addition, finding private sector partners—either nonprofit or for-profit—could prove just as productive for nonprofit community organizations as engaging in direct development.

The Idea in Practice

The **Dudley Street Neighborhood Initiative** (DSNI) in Boston evolved out of a community-initiated movement to address the effects of years of abandonment and disinvestment in the Roxbury-North Dorchester neighborhood and to protect the neighborhood from outside speculation. By 1973, more than 57 percent of the housing units in the Dudley neighborhood required repairs in excess of \$1000—an enormous sum for an area where well

more than one-third of the families earned less than \$5000 a year. By 1976, about a third of the neighborhood’s housing stock from 1947 (a postwar boom year for housing development) was demolished.

DSNI was established in 1984 as a collaborative of residents, local business people, social service agencies, and religious institutions interested in maintaining the character and affordability of the neighborhood and improving the quality of life for neighborhood residents. There was a concentration of vacant, abandoned parcels: more than 20 percent of the core, adding up to 1300 vacant parcels of land, half of them owned by some 130 private owners, the rest owned by the city. That area, dubbed the “Dudley Triangle,” became the focus of the community’s homeownership efforts. One of DSNI’s first steps was to create a resident-developed comprehensive plan. Next, in 1988, DSNI created Dudley Neighbors, Incorporated (DNI), to play a critical role in the housing development of the target area. Created as a community land trust, DNI was legally organized as an Urban Redevelopment Corporation under Massachusetts law and became the vehicle for the community to accept and use the power of eminent domain, which is the right of a government entity to seize private property for a public use. DNI became the first nonprofit in the United States to be granted the power of eminent domain.

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The **Greater Germantown Housing Development Corporation** (GGHDC) is a minority-controlled, not-for-profit community development corporation

in Philadelphia. Its mission is to help rebuild the social, economic, and physical fabric of several low- and moderate-income neighborhoods to promote the well-being of children, families, and the elderly. GGHDC works to ensure the supply of affordable rental housing for low- and moderate-income residents, develops homeownership opportunities, and undertakes economic development activities. Through its parent organization, the Germantown Settlement, it offers such social programs as job training and placement, youth services, and substance abuse counseling.

GGHDC was formed in 1977 to address residents' concerns about vacant housing in the Lower Germantown section of the city. Today, GGHDC has grown to be one of the largest community development corporations in Philadelphia, with a staff of 25. GGHDC built Hamill Mill I and II (56 units of

elderly housing), Freedom Square (a 20,000-square-foot retail center), and more than 100 units of scattered family housing using the Low Income Housing Tax Credit. It has recently completed the renovation and lease of a 228-unit garden-style apartment complex and renovated more than 130 homes for low- and moderate-income homeowners. GGHDC works closely with the Wister Neighborhood Council, a community organization, to ensure community participation in all of its development initiatives.

GGHDC is also involved in revitalizing the commercial corridor along Germantown Avenue by working with local businesses to attract consumers through improved pedestrian lighting, new trash receptacles, façade improvements, and sidewalk maintenance. More than 200 residents have received entrepreneurial training to help them start new businesses or expand existing ones by developing business plans and securing initial financing.

PROMISING MODELS

Strengthening Neighborhoods with HUD's Teacher Next Door Program

In March 2000, HUD Secretary Andrew Cuomo announced the Teacher Next Door Initiative, which will enable teachers to buy HUD-owned houses for half-price in economically distressed neighborhoods in their school districts. HUD says the program "recognizes teachers for the value they bring to community and family life, and provides them with increased opportunities to serve our most needy communities outside the classroom."

FOR MORE INFORMATION: Call 800-217-6970 or visit HUD's Teacher Next Door website: www.hud.gov/tnd/tnd.html

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In Seattle, the nonprofit **Low Income Housing Institute** (LIHI) purchased and renovated the Frye Hotel in Pioneer Square, thereby preserving 233 units of project-based Section 8 housing that the owner was trying to convert to market-rate housing. In 1997, LIHI purchased the building with a \$5.4 million HUD loan, and then it spent \$7 million on renovation. The renovation funding came from tax credits from the Enterprise Social Investment Corporation and Key Community Development



Corporation and financial assistance from organizations including the City of Seattle, the State Housing Trust Fund, and the Washington Community Development Loan Fund. Seattle's support included deferred and forgivable loans.

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C. LEASE-PURCHASE HOUSING

The Idea

Lease-purchase housing, called “rent-to-own,” provides homes for low-income families. Each month, part of the rent payment goes toward a down payment for the eventual purchase of the unit. Although the federal government has tried to bring about the renter-to-owner conversion in a relatively short time—perhaps two or three years—the experience of most nonprofits is that the process takes significantly longer. In recent years, syndicators of Low Income Housing Tax Credits have developed lease-purchase models that qualify as rental housing, for the purpose of tax credit equity investment, but that still allow tenants to convert to homeownership over time.

What to Look Out For

Although lease-purchase housing might be an attractive model for tenants who would otherwise qualify for homeownership but do not have the means to save for a down payment, the model has many pitfalls. Nonprofits have learned that many tenants like being tenants and do not want to move

into homeownership when the opportunity arises. (Having a low income eliminates the possibility of using the federal income tax incentive for homeownership.) When lease-purchase tenants choose not to buy, nonprofits are frequently required to spend significant sums rehabilitating units that have been occupied for several years. Because lease-purchase units are frequently scattered-site developments, they also pose problems for property management. In addition, sometimes nonprofits agree to lease-purchase projects to appease local government objections to the increased development of rental units, knowing full well that tenants will be in no financial position to own homes.

The Idea in Practice

The **Cleveland Housing Network** (CHN) has probably developed more lease-purchase housing than any other nonprofit in the nation and is an excellent starting place for site leaders who are considering such a program. According to CHN, there are four keys to a successful lease purchase program:

- + Affordability. Total monthly payments (including all housing-related expenses) must be affordable both during the lease period and after the family takes title; CHN achieves this by limiting hard bank debt to no more than 10 percent of total development costs.
- + Quality of work. It is important to implement a comprehensive capital improvement program to ensure the dwellings are in excellent condition when lease-purchase buyers take title.
- + Asset management. As with all real estate projects, site selection, adequate operating budgets, adequate capital budgets and reserves, and continual attention to property management are critical.

- + Resident responsibility. Residents must take full responsibility for yard upkeep and minor maintenance to instill a sense of pride and home-ownership and to minimize the responsibility of scattered-site property management.

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kmonter@chbnet.com

D. CONSTRUCTING NEW HUMAN SERVICE FACILITIES

The Idea

As neighborhood groups become more familiar and comfortable with the real estate development process—particularly housing development, which has well-recognized, proven models and programs—they frequently seek to expand into the construction and even management of human service facilities. With the devolution of governmental functions to cities and even to neighborhoods, and with implementation of welfare reform under the Temporary Assistance to Needy Families (TANF) legislation, site teams can expect requests for assistance in developing human service facilities, including child care and Head Start centers, neighborhood primary health centers, and, increasingly, charter schools.

What to Look Out For

Residential apartments generate rent to cover operating and financing costs, but human service facilities typically depend on service contracts (Head Start appropriations, child care service contracts, or charter school financial arrangements with local school systems). Generally, those contracts are

relatively short term, open to renewal, and potentially subject to a public-bidding process. It is an understandable economic reality that banks shy away from providing long-term financing for businesses with restricted and unreliable financing streams.

Another problem can stem from the community groups' desire to provide the actual service in addition to building the facility. Although a community-based developer might become adept at the financing and construction components of real estate development, providing child care and health and educational services requires different management and substantive skills. There are few organizations that can fulfill both the brick-and-mortar and service requirements equally well. On a positive note, this creates a good opportunity to develop partnerships with well-established community agencies.

A third concern is the “edifice complex”—the desire to build new facilities when the conversion or reuse of existing facilities might just as easily do the trick. Everyone likes to celebrate the construction of a new (or almost new) building. However, in an era of declining federal support for human services in general, it might be prudent not to overdevelop facilities in low-income neighborhoods, which frequently possess concentrations of human service facilities that have been rejected by or excluded from other neighborhoods.

The Idea in Practice

In the **Murphy Park Development**, an inner-city neighborhood of St. Louis, Missouri, for-profit developers McCormack Baron and Associates, Inc., worked with the housing authority and the COVAM Community Development Corporation to transform Jefferson Elementary School, located across the street from Murphy Park. While Murphy Park was not a HOPE VI project, McCormack Baron had been involved with several others, and thus developed



Murphy Park within that model (i.e., leveraging private sector funds with HUD money to rebuild mixed-income communities).

The revitalization of Jefferson involved the use of neighborhood organizing and citywide resources to turn a troubled school into a “community asset and an anchor for a new mixed-income neighborhood.”⁵ Jefferson became a neighborhood school in 1997 after years of busing neighborhood children to area schools. Neighborhood students, who were previously bused to 25 area elementary schools, now constitute 75 percent of Jefferson’s student body.

Contact:

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McCormack Baron & Associates, Inc.
1101 Lucas Avenue
St. Louis, MO 63101
314-621-3400
314-436-0071 (fax)
www.mba-development.com
richardb@mba-mbms.com

E. INCORPORATING SUPPORT SERVICES INTO HOUSING DEVELOPMENTS

The Idea

It is no surprise that residents of many low-income housing developments need a variety of support services. And there are special-needs populations: victims of domestic violence, for example, or persons with mental health problems who need particular types of housing support services. Most housing developers have looked to outside agencies to provide these services off site. More and more frequently, however, housing providers are trying to furnish this assistance on site with their own staff. The Corporation for Supportive Housing is a leader in helping nonprofits determine how to provide these services.

What to Look Out For

Some of the other Technical Assistance/Resource Center guides have excellent discussions on the various inherent challenges with providing social services. Two of the major concerns for housing providers are how to allocate space and how to pay the necessary staff. Owners of existing developments sometimes convert apartments into service areas, which often requires the approval of the lending agency and reduces the cash flow available for operating expenses and other needs. Some owners have been able to use rent revenue to cover staff costs, but it is difficult to provide support services without additional operations support (e.g., Medicaid payments or contract payments through a state or local agency).

The Idea in Practice

Mercy Housing Resident Services Program in Denver, Colorado, has evolved into a sophisticated service-enriched housing program. Mercy Housing has a two-part mission that includes providing housing and support services. The cornerstone of the program is providing high-quality, affordable housing. The service-enriched aspect of Mercy’s mission ensures that residents have opportunities to improve their educational and income levels, with the aim of achieving a higher degree of independent living through stronger careers, long-term financial planning, and even homeownership. In pursuit of these goals, each of Mercy’s properties has a community and resident initiatives coordinator who surveys residents’ needs and assets, helps to create on-site venues to address identified needs, and develops community resources and partners to help residents achieve their objectives.

⁵HOPE VI: *Community Building Makes a Difference*. Washington, D.C.: U.S. Department of Housing and Urban Development, 2000.

An important element of Mercy’s service-enriched program was the development of the Family Learning Centers, which provide extensive computer training for adults and children and serve the larger community as well. As part of the on-site Community Centers, the Family Learning Centers provide a focal point, offering programs that enrich the lives of Mercy residents—and neighborhood life as well.

Contact:

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Mercy Housing, Inc.
 601 E. 18th Avenue, Suite 150
 Denver, CO 80203
 303-830-3431
 dbaker@mercyhousing.org.

F. ESTABLISHING LOCAL INTERMEDIARIES

The Idea

Many communities where there is a concern about improving housing would benefit from strengthening existing support organizations or from creating community-wide or state intermediaries or technical assistance organizations. Site leaders should explore whether their communities need more access to technical or financial assistance from a support organization. They also should identify exactly what kinds of services are most needed and what existing or new institutions would be most helpful. Other sections of this guide have addressed the tremendous need for preliminary feasibility funds, predevelopment funds, and technical assistance for nonprofits seeking to develop housing. A subsequent section provides a listing of the national intermediaries that provide these programs and services.

What to Look Out For

Making Connections site teams and participants should determine how well local, state, and national organizations and the local banking community meet local

nonprofits’ technical assistance and funding needs. Where support is inadequate, *Making Connections* site teams might want to explore the idea of working with other community groups to strengthen existing organizations or to create new ones.

The Idea in Practice

There are numerous successful models of local and state intermediaries. One example is the **Community Economic Development Assistance Corporation (CEDAC)** in Boston, which has been assisting housing developers in building and preserving affordable housing for more than 20 years. CEDAC, a quasi-public agency of the Commonwealth of Massachusetts, provides technical assistance and predevelopment loans to nonprofit organizations developing affordable housing in economically distressed areas of the state. CEDAC was established as a public corporation by state legislation in 1978, and it is overseen by a board of directors appointed by the governor and drawn from the public and private development sectors. The agency’s staff of senior professionals has extensive experience in nonprofit real estate development and finance. Among its major program areas, CEDAC manages several revolving loan funds, totaling over \$8 million, for predevelopment and acquisition loans to nonprofit housing developers and resident organizations.

CEDAC has assisted its nonprofit developer clients with the construction of more than 15,000 units of housing—3500 more are currently in the planning and predevelopment stages. The agency also helped develop a sophisticated network of nonprofit developers, who have created or preserved affordable housing throughout the state.

CEDAC’s program design focuses on the provision of technical assistance to staff and boards of directors of nonprofit housing development organizations to enhance their capacity to develop and implement affordable-housing projects. Areas of



technical assistance include defining project goals and objectives, negotiating site control, specifying programs to be implemented on sites, defining project capital and operating costs, obtaining private capital, obtaining public and regulatory approval, and providing for competent, long-term professional project management.

Over the past 15 years, CEDAC has built particular organizational strength in the preservation of federally assisted rental-housing stock, either through its purchase by residents or through its acquisition by nonprofit developers. The agency has assisted in the preservation of more than 6000 such units, and the effort continues. CEDAC helps meet the technical assistance needs of nonprofit owner-developers and of state and municipal officials in acquiring or restructuring the stock of federally assisted rental housing. This important resource for low-income people is under substantial threat because of increasing federally mandated budget and policy constraints.

CEDAC's preservation activities encompass federal expiring use restriction (EUR) properties, properties with expiring Section 8 contracts, HUD's Property Disposition inventory, and other distressed multifamily rental housing. The goal is to facilitate long-term affordability and physical and economic stability through nonprofit and resident ownership and through giving low-income tenants and communities the opportunity to own and control their housing. CEDAC's commitment to resident ownership and local community empowerment has been important in the conversion of some 2500 formerly HUD-owned or HUD-assisted housing units in Massachusetts from rental to resident ownership, transforming what had been physically and financially troubled properties into attractive and stable residential environments.

CEDAC also owns and manages an affiliate corporation, the Child Care Capital Investment Fund, which is an \$8 million revolving loan fund targeted to the acquisition, expansion, or improvement of day care facilities owned and managed by nonprofit providers. The fund has been capitalized by the United Way, the Ford Foundation, local and national foundations and corporations, and banks and insurance companies.

There are also many strong models of organizations that are particularly good at helping nonprofits with their organizational development challenges, tenant or community organizing, or work on public policy issues. These models include such statewide groups as the Massachusetts Association of Community Development Corporations, and the Affordable Housing Network of New Jersey.

Contact:

Vincent O'Donnell

Community Economic Development Assistance Corporation

18 Tremont Street, Suite 1020

Boston, MA 02108

617-727-5944

617-727-5990 (fax)

cedac@cedac.org

G. COMMUNITY BANKS

The Idea

Some communities are so underserved by existing financial institutions that they explore the possibility of establishing their own banks. A community bank is like any other bank except that it is set up to address the deposit and lending needs of a specific community—typically, the community in which it is housed.

What to Look Out For

The pitfalls and challenges of creating a community bank are immense. Any *Making Connections* site exploring this model will want to obtain expert help very early in the process. A feasibility study should examine many topics, including these: Is there an unmet need for specific types of lending? Is it possible to persuade an existing bank to meet the need? Can the federal program that funds Community Development Financial Institutions help? Can a deposit base be established from individuals, corporations, and foundations? Can a realistic business plan be developed?

The Idea in Practice

The **South Shore Bank** is the country's oldest and largest community development bank. South Shore was created in 1973 to address concerns over redlining by financial institutions serving Chicago. A group of friends determined that their common interest in social justice could be turned to practical action in their community. They purchased a local bank that wanted to leave the neighborhood. Today, the bank focuses its services on improving neighborhood economic health at the same time it addresses the individual financial concerns of consumers, businesses, and religious and community organizations. South Shore Bank has lent more than \$600 million to some 13,000 individuals and businesses and has made a profit every year since 1975.

Contact:

Alexia Hall
South Shore Bank
 7054 S. Jeffrey Boulevard
 Chicago, IL 60649
 773-288-1000
 773-493-6609 (fax)
 www.sbk.com

H. TENANT ORGANIZING AND ADVOCACY

The Idea

There is usually a fairly high correlation between the amount of resources that have been targeted to the populations and communities within a *Making Connections* site and the sophistication of the advocacy efforts of local organizations concerned with improving the quality of life. Advocacy efforts that involve residents and tenants have proven to be among the most successful.

The Idea in Practice

The **Pennsylvania Low Income Housing Coalition** (PALIHC) is a statewide membership organization formed in 1985 to advocate for increased state and federal housing resources and policy reforms that strengthen nonprofit housing development and services organizations in meeting the needs of low-income families, the elderly, and people with disabilities. PALIHC is carrying out a tenant organizing and advocacy project in the Pittsburgh metropolitan area to support the preservation and revitalization of HUD multifamily Section 8 housing. This project led to the formation of the Southwestern Pennsylvania Alliance of HUD Tenants (SPAHT), staffed by a tenant organizer and VISTA volunteers—all of whom have lived in federally assisted housing.

PALIHC provides assistance to HUD tenant groups in the Pittsburgh area in organizing and advocating for their rights and increased resources to preserve and revitalize their homes. Training and advocacy activities have included building relationships and influencing the policies and attitudes of local elected officials, HUD multifamily and community builders staff, and local housing agency officials; building alliances with local places of worship and community-based organizations dedicated to serving low-income residents; learning how federal



and state housing policies and budgets are developed and approved and how HUD tenants can influence the process; organizing petition and letter-writing campaigns; and using the media to build support for HUD tenants' rights, housing needs, and goals.

The best example of the power of tenant organizing and advocacy in the Pittsburgh area has been the work of the **Northside Coalition for Fair Housing** (NCFH), which consists of and represents residents of a 333-unit scattered-site HUD multi-family development in the city. By educating the residents about HUD law and decision-making processes, PALIHC and NCFH prevented the private owner of this property from opting out of the Section 8 program and boarding up their properties. The residents organized around saving their homes and then went on to develop a plan to buy and rehabilitate their rental properties and integrate supportive economic and social services into the redevelopment plan. PALIHC, along with a range of allies, helped the residents learn whom to talk to in local, state, and federal governments to protect their rights and gain support for their development plans. In the summer of 2000, a representative of NCFH was invited by Pennsylvania Senator Rick Santorum to testify before the Senate Housing and Transportation Committee in support of new legislation that would provide federal matching grants for the preservation of at-risk HUD multifamily properties. NCFH gained the attention of Sen. Santorum, vice-chair of the Housing Subcommittee, through local organizing and letter writing in support of the matching-grant legislation. PALIHC helped NCFH to prepare its Senate testimony.

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pabcwpa@nb.net*

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PO Box 61099
Pittsburgh, PA 15212
412-321-5527
ncfh@earthlink.net*



resources

A. NATIONAL ORGANIZATIONS

The following national organizations provide information and assistance to communities interested in improving the quality and availability of low-income housing.

The **Building Better Communities Network** is the result of a four-year undertaking by the Campaign for New Community to build inclusive community. The network supports the expansion of housing and human services for all people and advocates for inclusive communities where civil rights are protected, diversity is celebrated, neighbors and community institutions collaborate for mutual support, and all members of the community are involved in planning for matters that affect their quality of life.

Contact:

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Building Better Communities Network
1101 Fifteenth Street, NW, Suite 212
Washington, DC 20005
202-467-5730
202-223-0409 (fax)
www.bettercommunities.org
michaela@bazelon.org*

The **Center for Community Change** is committed to reducing poverty and rebuilding low-income communities. To do this, the center helps people to develop the skills and resources they need to improve their communities and change policies and institutions that adversely affect their lives. The center believes that poor people themselves—through the organizations they control—need to lead efforts to eliminate poverty.

Contact:

*Center for Community Change
1000 Wisconsin Avenue, NW
Washington, DC 20007
202-342-0567
202-333-5462 (fax)
www.communitychange.org*

The **Corporation for Enterprise Development** (CFED) fosters widely shared and sustainable economic well-being. CFED promotes asset-building and economic opportunity strategies, primarily in low-income and distressed communities, that bring together community practice, public policy, and private markets in new and effective ways.

Contact:

*Corporation for Enterprise Development
777 N. Capitol Street, NE, Suite 410
Washington, DC 20002
202-408-9788
202-408-9793 (fax)
www.cfed.org*

The **Council of Large Public Housing Authorities** (CLPHA) is a national nonprofit organization dedicated to the preservation and improvement of public housing. CLPHA represents 55 of the largest public-housing authorities in the country that collectively own and manage 40 percent of the nation's public-housing stock and administer 20 percent of the low-income housing units assisted under the tenant-based Section 8 program.

Contact:

*Council of Large Public Housing Authorities
1250 Eye Street NW, Suite 901A
Washington, DC 20005
202-638-1300
202-638-2364 (fax)
www.clpha.org*



Development Training Institute (DTI) offers comprehensive services to individuals and organizations working in community development. DTI's services include comprehensive training; personalized consulting and technical assistance; access to information; and on-line skill building, tools, and training.

Contact:

*Development Training Institute
2510 St. Paul Street
Baltimore, MD 21218
410-338-2512
410-338-2751 (fax)
www.dtinational.org*

The **Enterprise Foundation** is dedicated to bringing lasting improvements to distressed communities. The foundation is a national nonprofit housing and community development organization established to see that all low-income people in the United States have the opportunity to live in high-quality, affordable housing and to move up and out of poverty into the mainstream of American life.

Contact:

*Enterprise Foundation
10227 Wincopin Circle, Suite 500
Columbia, MD 21044
410-964-1230
410-964-1918 (fax)
www.enterprisefoundation.org*

Habitat for Humanity International is a nonprofit, ecumenical Christian housing ministry. Habitat seeks to eliminate poverty housing and homelessness from the world and to make decent shelter a matter of conscience and action. Habitat invites people of all backgrounds, races, and religions to build houses together in partnership with families in need.

Contact:

*Habitat for Humanity International
121 Habitat Street
Americus, GA 31709
912-924-6935
www.habitat.org
public_info@habitat.org*

The **Housing Assistance Council (HAC)** is a national nonprofit corporation created to increase the availability of decent and affordable housing for low-income people in rural areas throughout the United States. Established in 1971, HAC provides many services for local, state, and national organizations including loans, publications, technical assistance, training, and special projects.

Contact:

*Housing Assistance Council
1025 Vermont Avenue, NW, Suite 606
Washington, DC 20005
202-842-8600
202-347-3441 (fax)
www.ruralhome.org*

The **Local Initiatives Support Corporation (LISC)** provides grants, loans, and equity investments to CDCs (community development corporations) for neighborhood redevelopment. When LISC begins a new program, the national organization matches locally raised funds and gives that much more to the community for renovation. The CDC designates the funds to a variety of projects that will best suit the neighborhood.

Contact:

*Local Initiatives Support Corporation
733 Third Avenue, 8th Floor
New York, NY 10017
212-455-9800
212-682-5929 (fax)
www.liscnet.org*

The **McAuley Institute** is a national, nonprofit housing organization founded by the Sisters of Mercy. McAuley provides state-of-the-art technical assistance and financial resources to grass-roots organizations that work to expand housing and economic opportunities for low-income women and their families.

Contact:

McAuley Institute
8300 Colesville Road, Suite 310
Silver Spring, MD 20910
301-588-8110
301-588-8154 (fax)
www.bhconline.org

Founded in 1992, the **National Alliance of HUD Tenants** (NAHT) is the first national membership organization of resident groups speaking for the 2.1 million low-income families who live in privately owned, HUD-assisted multifamily housing. NAHT's goals are to preserve affordable housing, develop tenant self-empowerment, promote tenant ownership and control, and make HUD accountable to its constituents—HUD tenants.

Contact:

National Alliance of HUD Tenants
353 Columbus Avenue
Boston, MA 02116
617-267-9564
617-267-4769 (fax)

The mission of the **National Alliance to End Homelessness** is to mobilize all sectors of society to end homelessness. The alliance is a nonprofit membership organization dedicated to solving the problems of homelessness and to preventing its continued growth.

Contact:

National Alliance to End Homelessness
1518 K Street, NW, Suite 206
Washington, DC 20005
202-638-1526
202-628-4664 (fax)
www.naeh.org

The **National Association of Housing and Redevelopment Officials** (NAHRO) is a professional membership organization of 9500 housing and community development agencies and officials throughout the United States who administer a variety of local affordable-housing and community development programs. NAHRO's mission is to create affordable housing and safe, viable communities that enhance the quality of life for all Americans, especially those of low and moderate income.

Contact:

National Association of Housing and Redevelopment Officials
630 Eye Street, NW
Washington, DC 20001
202-289-3500
202-289-8181 (fax)
www.nahro.org

The **National Coalition for the Homeless** is a national advocacy network of homeless persons, activists, service providers, and others committed to ending homelessness through public education, policy advocacy, grass-roots organizing, and technical assistance.

Contact:

National Coalition for the Homeless
1012 Fourteenth Street, NW, Suite 600
Washington, DC 20006
202-737-6444
202-737-6445 (fax)
<http://nch.ari.net>

National Community Reinvestment Coalition was formed in 1990 by 16 national, regional, and local organizations to develop and harness the collective energies of community reinvestment organizations from across the country to increase the flow of private capital into traditionally underserved communities.

Contact:

*National Community Reinvestment Coalition
733 Fifteenth Street, NW, Suite 540
Washington, DC 20005
202-628-8866
202-628-9800 (fax)
www.ncrc.org*

The **National Congress for Community Economic Development (NCCED)** is the trade association and advocate for the community-based development industry. NCCED serves the community development industry through public policy research and education, special projects, newsletters, publications, training, conferences, and specialized technical assistance.

Contact:

*National Congress for Community Economic
Development
1030 Fifteenth Street, NW, Suite 325
Washington, DC 20005
202-289-9020
202-289-7051 (fax)
www.ncced.org*

The **National Council of State Housing Agencies (NCSHA)** is a national, nonprofit organization created in 1970 to assist its members in advancing the interests of lower income and underserved people through the financing, development, and preservation of affordable housing. NCSHA's members are housing finance agencies with statewide authority.

Contact:

*National Council of State Housing Agencies
444 N. Capitol Street, NW, Suite 438
Washington, DC 20001
202-624-7710
202-624-5899 (fax)
www.ncsha.org*

The **National Fair Housing Alliance** was founded in 1988 as a consortium of private, nonprofit fair housing organizations throughout the United States, dedicated to promoting equal housing, lending, and insurance opportunities through education, enforcement, training, and research.

Contact:

*National Fair Housing Alliance
1212 New York Avenue, NW, Suite 525
Washington, DC 20005
202-898-1661
202-898-2735 (TTY)
202-371-9744 (fax)*

The **National Housing Conference (NHC)** is a diverse coalition of housing leaders from the public and private sectors that believes suitable housing in a decent environment is the cornerstone of safe, prosperous communities and essential to individual self-esteem and self-sufficiency. Since 1931, NHC has worked to forge consensus and develop innovative approaches to meet the nation's housing needs.

Contact:

*National Housing Conference
815 Fifteenth Street, NW, Suite 538
Washington, DC 20005
202-393-5772
202-393-5656 (fax)
www.nhc.org*

The **National Housing Institute** (NHI) is a 24-year-old independent nonprofit organization that examines the issues causing the crisis in housing and community in America. NHI examines issues that affect affordable housing and community development practitioners and their supporters: availability of housing, jobs, safety, and education, with an emphasis on housing and economic development; poverty and racism; disinvestment and lack of employment; and breakdown of the social fabric.

Contact:

National Housing Institute
 439 Main Street, Suite 311
 Orange, NJ 07050
 973-678-9060
 973-678-8437 (fax)
 www.nhi.org

The **National Housing Law Project** (NHLP) is a national housing law and advocacy center. The goal of NHLP is to advance housing justice for the poor by increasing and preserving the supply of decent, affordable housing; improving existing housing conditions, including physical conditions and management practices; expanding and enforcing low-income tenants' and homeowners' rights; and increasing opportunities for racial and ethnic minorities.

Contact:

National Housing Law Project
 614 Grand Avenue, Suite 320
 Oakland, CA 94610
 510-251-9400
 510-451-2300 (fax)
 www.nhlp.org

The **National Housing Trust** is a nonprofit organization formed to preserve and improve federally assisted housing for low- and moderate-income use. The trust's emphasis is on preserving federally assisted and insured properties at risk of conversion to market-rate housing and resolving the problems of "troubled" projects that suffer from physical deterioration and financial and social distress.

Contact:

National Housing Trust
 1101 30th Street, NW, Suite 400
 Washington, DC, 20007
 202-333-8931
 202-833-1031 (fax)
 www.nbtinc.org

Established in 1974, the **National Low Income Housing Coalition** (NLIHC) is dedicated solely to ending America's affordable-housing crisis. The coalition is committed to educating, organizing, and advocating to ensure decent, affordable housing within healthy neighborhoods for everyone. NLIHC provides up-to-date information, formulates policy, and educates the public on housing needs and the strategies for solutions.

Contact:

National Low Income Housing Coalition
 1012 Fourteenth Street, NW, Suite 610
 Washington, DC 20005
 202-662-1530
 202-393-1973 (fax)
 www.nlihc.org

The **National Neighborhood Coalition** serves as a link to Washington for neighborhood and community-based organizations and an important networking resource for representatives of regional and national organizations involved in community development, housing, and a wide range of other neighborhood issues.



Contact:

National Neighborhood Coalition
1875 Connecticut Avenue, NW, Suite 410
Washington, DC 20009
202-986-2096
202-986-1941 (fax)
www.neighborhoodcoalition.org

National Rural Housing Coalition (NRHC) works to focus policymakers on the needs of rural areas by direct advocacy and by coordinating a network of rural housing advocates around the nation. NRHC sponsors regular conferences to develop specific policies and legislative proposals.

Contact:

National Rural Housing Coalition
1250 Eye Street, NW, Suite 902
Washington, DC 20005
202-393-5229
202-393-3034 (fax)
www.rapoza.org

The **Neighborhood Reinvestment Corporation**, a national nonprofit, was created in 1978 by an act of Congress to revitalize America's older, distressed communities by establishing and supporting a network of local nonprofit organizations. The Neighborhood Reinvestment Corporation creates and strengthens resident-led partnerships of lenders, other business people, and local government officials to revitalize and restore neighborhoods in decline.

Contact:

Neighborhood Reinvestment Corporation
1325 G Street, NW, Suite 800
Washington, DC 20006
202-220-2300
202-376-2576 (fax)
www.nw.org

In January 1997, the **Public Housing Residents National Organizing Campaign** was established with technical assistance from the Center for Community Change. Campaign participants are working to build a stable, results-oriented, resident-led, national organization that organizes residents and advocates residents' policy proposals at the local and national levels. Campaign member organizations are in 33 states.

Contact:

Public Housing Residents National Organizing Campaign
Center for Community Change
1000 Wisconsin Avenue, NW
Washington, DC 20007
202-342-0567
202-333-5462 (fax)
www.communitychange.org

The **U.S. Department of Housing and Urban Development (HUD)** works to provide decent, safe, and sanitary homes and suitable living environments for all Americans by fighting for fair housing, increasing affordable housing and homeownership, reducing homelessness, promoting jobs and economic opportunity, empowering people and communities, and restoring the public trust.

Contact:

U.S. Department of Housing and Urban Development
451 Seventh Street, SW
Washington, DC 20410
202-401-0388
202-708-1455 (TTY)
www.hud.gov

B. PUBLICATIONS

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C. HOUSING RESOURCES BY MAKING CONNECTIONS SITES

ATLANTA

Local HUD Office

Atlanta HUD Office
Five Points Plaza Building
40 Marietta Street
Atlanta, GA 30303
404-331-5136

City Housing Office

Atlanta Department of Housing and Community Development
68 Mitchell Street, Suite 1200
Atlanta, GA 30335
404-330-6390
404-658-7384 (fax)

Housing Finance Office

Georgia Department of Community Affairs
60 Executive Park South, NE
Atlanta, GA 30329
404-679-4940
www.dca.state.ga.us

Fair Housing

Georgia Commission on Equal Opportunity
1513 E. Cleveland Avenue
Building 100B, Room 108
Atlanta, GA 30344
404-765-3985
404-765-3986 (fax)
www.gceo.state.ga.us

BALTIMORE

Local HUD Office

*Baltimore HUD Office
10 S. Howard Street, Fifth Floor
Baltimore, MD 21201
410-962-2520*

City Housing Office

*Maryland Department of Housing and Community
Development
100 Community Place
Crownsville, MD 21032
800-756-0119
410-514-7700
410-514-7531 (TTY)
www.dhcd.state.md.us*

Fair Housing

*Baltimore Neighborhoods, Inc.
2217 St. Paul Street
Baltimore, MD 21218
410-243-4468
410-243-4400, 4401, 4449 (Fair Housing)
www.clark.net/pub/mmark/bni2.html*

BOSTON

Local HUD Office

*Boston HUD Office
10 Causeway Street, Suite 375
Boston, MA 02122
617-565-5234*

City Housing Office

*Boston Home Center
Department of Neighborhood Development
26 Court Street, First Floor
Boston, MA 02108
617-635-4663
617-635-0289 (fax)
www.ci.boston.ma.us/dnd*

Housing Finance Office

*Massachusetts Housing Finance Agency
1 Beacon Street
Boston, MA 02108
617-854-1000
617-854-1025 (TTY)
www.mhfa.com*

Fair Housing

*Greater Boston Legal Services
197 Friend Street
Boston, MA 02114
617-371-1270
617-371-1222 (fax)*

CAMDEN

Local HUD Office

*Camden HUD Office
800 Hudson Square, Second Floor
Camden, New Jersey 08102
856-757-5081*

City Housing Office

*Division of Housing Services
City Hall, Room 432
PO Box 95120
Camden, Nj 08101
609-757-7344*

Housing Finance Office

*New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Avenue
PO Box 18550
Trenton, Nj 08650
609-278-7400
www.state.nj.us/dca/bmfa
webmaster@njbmfa.state.nj.us*

Fair Housing

*Housing Coalition of Central Jersey
78 New Street, Suite 3
New Brunswick, Nj 08901
732-239-9700
732-249-4121 (fax)*



DENVER

Local HUD Office

Denver HUD Office
633 Seventeenth Street
Denver, CO 80202
303-672-5440
303-672-5248 (TDD)

City Housing Office

Denver Housing and Neighborhood
Development Services
Columbine Building
216 Sixteenth Street, Suite 1400
Denver, CO 80202
720-913-1555
720-913-1568 (TTY)

Housing Finance Office

Colorado Housing and Finance Authority
1981 Blake Street
Denver, CO 80202
800-877-CHFA (2432)
303-297-2432
303-297-7305 (TDD)

Fair Housing

Housing for All—Metro Denver
2855 Tremont Place
Denver, CO 80205
303-296-6949
303-296-7310 (fax)

DES MOINES

Local HUD Office

Des Moines HUD Office
210 Walnut, Room 239
Des Moines, IA 50309
515-284-4512

City Housing Office

Des Moines Housing Services Department
1101 Cracker Street
Des Moines, IA 50309
515-288-2201

Housing Finance Office

Iowa Financing Authority
100 E. Grand, Suite 250
Des Moines, IA 50309
800-432-7230
515-242-4990
515-242-4957 (fax)

DETROIT

Local HUD Office

Detroit HUD Office
477 Michigan Avenue, Suite 1700
Detroit, MI 48226
313-226-7900
313-226-6899 (TTY)

City Housing Office

Detroit Housing Department
2211 Orleans Street
Detroit, MI 48207
313-877-8672

Housing Finance Office

Michigan State Housing Development Authority
Detroit Office
State of Michigan Plaza Building
1200 Sixth Street, 19th Floor
Detroit, MI 48226
313-256-2860
313-256-2899 (fax)
800-382-4568 (TTY)
www.mslda.org

Fair Housing

Fair Housing Center of Metro Detroit
1249 Washington Boulevard, Room 1312
Detroit, MI 48226
313-963-1274
313-963-4817 (fax)

HARTFORD

Local HUD Office

*Hartford HUD Office
One Corporate Center, 19th Floor
Hartford, CT 06103
860-240-4800*

City Housing Office

*Hartford Department of Housing and Community
Development
10 Prospect Street
Hartford, CT 06103
860-543-8640
<http://ci.hartford.ct.us/housing>*

Fair Housing

*Connecticut Fair Housing Center, Inc.
221 Main Street
Hartford, CT 06106
860-247-4400
860-247-4236 (fax)*

INDIANAPOLIS

Local HUD Office

*Indianapolis HUD Office
151 N. Delaware Street
Indianapolis, IN 46204
317-226-6303*

City Housing Office

*Indianapolis Department of Metropolitan Development
Office of Real Estate
200 E. Washington Street, Suite 2042
Indianapolis, IN 46204
317-327-3698
317-327-5858 (fax)
ssschulme@indygov.org*

Housing Finance Office

*Indiana Housing Finance Authority
115 West Washington Street, Room 1350
South Tower
Indianapolis, IN 46204
800-872-0371 (Indiana only)
317-232-7777
317-232-7778 (fax)
www.state.in.us/ihfa*

LOUISVILLE

Local HUD Office

*Louisville HUD Office
601 W. Broadway
Louisville, KY 40202
502-582-5251*

City Housing Office

*Louisville Department of Housing
745 W. Main Street
Louisville, KY 40202
502-574-3107
502-574-3749 (TDD)
502-574-4199 (fax)
www.louky.org/hud
housing@louky.org*

Housing Finance Office

*Kentucky Housing Corporation
1231 Louisville Road
Frankfort, KY 40601
800-633-8896
502-564-7630
www.kyhousing.org*

Fair Housing

*Kentucky Fair Housing Council
835 W. Jefferson Street, Suite 100
Louisville, KY 40202
502-583-3247
502-583-3180 (fax)*



MIAMI

Local HUD Office

Miami HUD Office
909 SE First Avenue, Room 500
Miami, FL 33131
305-536-4456

City Housing Office

Miami Community Development Department
444 SW Second Avenue
Miami, FL 33130
305-416-2080
305-416-2090 (fax)
www.ci.miami.fl.us/Community_Development/com_m_devhome.htm

Housing Finance Office

Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301
850-488-4197
850-488-9809 (fax)
www.floridahousing.org
info@floridahousing.org

Fair Housing

H.O.P.E., Inc.
18441 NW Second, Suite 218
Miami, FL 33169
305-651-4673
305-493-0108 (fax)
hopefbc@bellsouth.com

MILWAUKEE

Local HUD Office

Milwaukee HUD Office
310 West Wisconsin Avenue, Suite 1380
Milwaukee, WI 53203
414-297-3214
414-297-1423 (TTD)

City Housing Office

Milwaukee Department of City Development
809 N. Broadway
Milwaukee, WI 53202
414-286-5900

Fair Housing

Metropolitan Milwaukee Fair Housing Council
600 E. Mason, Suite 200
Milwaukee, WI 53202
414-278-1240
414-278-8033 (fax)

NEW ORLEANS

Local HUD Office

New Orleans HUD Office
Hale Boggs Federal Building, 9th Floor
510 Magazine Street
New Orleans, LA 70130

City Housing Office

New Orleans Department of Housing and
Neighborhood Development
1300 Perdido Street, Room 2E04
New Orleans, LA 70112
504-565-6410
504-565-8246 (fax)

Housing Finance Office

Louisiana Housing Finance Agency
200 Lafayette Street, Suite 300
Baton Rouge, LA 70801
225-342-1320
225-342-1310 (fax)
www.lhfa.state.la.us

Fair Housing

Greater New Orleans Fair Housing
Action Center
938 Lafayette Street, Suite 413
New Orleans, LA 70113
504-596-2100
504-596-2004 (fax)
fbacenter@aol.com

OAKLAND

Local HUD Office

*San Francisco HUD Office
450 Golden Gate Avenue
San Francisco, CA 94102
415-436-6550*

Housing Finance Office

*California Housing Finance Agency
1121 L Street
Sacramento, CA 95814
916-322-3991
www.chfa.ca.gov*

Fair Housing

*Sentinel Fair Housing
1611 Telegraph Avenue, Suite 1410
Oakland, CA 94612
510-836-2687
510-836-0461 (fax)*

PHILADELPHIA

Local HUD Office

*Philadelphia HUD Office
The Wanamaker Building
100 Penn Square East
Philadelphia, PA 19107
215-656-0500
215-656-3452 (TTY)
www.phfa.org*

City Housing Office

*Philadelphia Office of Housing and Community
Development
1234 Market Street, 17th Floor
Philadelphia, PA 19107
215-686-9723*

Housing Finance Office

*Pennsylvania Housing Finance Agency
2101 N. Front Street
PO Box 8029
Harrisburg, PA 17105
717-780-3800
717-780-1869 (TDD)*

Fair Housing

*Tenant's Action Group of Philadelphia
21 South Twelfth Street, 12th Floor
Philadelphia, PA 19107
215-575-0795
215-575-0718 (fax)*

PROVIDENCE

Local HUD Office

*Providence HUD Office
10 Weybosset Street
Providence, RI 02903
401-528-5351*

City Housing Authority

*Providence Housing Authority
100 Broad Street
Providence, RI 02903
401-751-6400*

Housing Finance Office

*Rhode Island Housing and Mortgage Finance
Corporation
44 Washington Street
Providence, RI 02903
401-751-5566
401-427-9799 (TDD)
www.rihousing.com/rihousing*



SAN ANTONIO

Local HUD Office

*San Antonio HUD Office
800 Dolorosa
San Antonio, TX 78207
210-475-6806
210-475-6885 (TTY)*

City Housing Office

*San Antonio Office of Housing and Community
Development
419 S. Main Street, Suite 200
San Antonio, TX 78204
210-207-6606
210-886-0006 (fax)
www.ci.sat.tx.us/bcd*

Housing Finance Office

*Texas Department of Housing and Community Affairs
PO Box 13941
Austin TX, 78711
512-475-3800
info@tdhca.state.tx.us*

Fair Housing

*San Antonio Fair Housing Council
4414 Centerview Drive, Suite 170
San Antonio, TX 78228
210-733-3247
210-733-6670 (fax)
fhcogsa@swbell.net*

SAN DIEGO

Local HUD Office

*San Diego HUD Office
2365 Northside Drive, Suite 300
San Diego, CA 92108
619-557-5305
619-557-2604 (TTY)*

Housing Finance Office

*California Housing Finance Agency
1121 L Street
Sacramento, CA 95814
916-322-3991
www.chfa.ca.gov*

Fair Housing

*Fair Housing Council of San Diego
625 Broadway, Suite 1114
San Diego, CA 92101
800-430-0303
619-699-5888
619-699-5885 (fax)
housing@adnc.com*

SAVANNAH

Local HUD Office

*Atlanta HUD Office
Five Points Plaza Building
40 Marietta Street
Atlanta, GA 30303
404-331-5136*

City Housing Office

*City of Savannah Housing Department
Gamble Building
6 East Bay Street
Savannah, GA 31401
912-651-6926
912-651-6853 (fax)*

Housing Finance Office

*Georgia Department of Community Affairs
60 Executive Park South, NE
Atlanta, GA 30329
404-679-4940
www.dca.state.ga.us*

SEATTLE**Local HUD Office**

Seattle and Spokane HUD Office
 909 First Avenue, Suite 200
 Seattle, WA 98104
 206-220-5104
 307-261-6258 (TTY)

City Housing Office

Seattle Office of Housing
 618 Second Avenue, 8th Floor
 Seattle, WA 98104
 206-684-0721
 206-233-7117 (fax)

Housing Finance Office

Washington State Housing Finance Commission
 1000 Second Avenue, Suite 2700
 Seattle, WA 98104
 800-767-HOME (4663)
 206-464-7139
 206-587-5113 (fax)
 www.wshfc.org
 askus@wshfc.org

Fair Housing

Fair Housing Center of South Puget Sound
 625 Commerce, Suite 430
 Tacoma, WA 98402
 253-572-4347
 253-572-4348 (fax)
 fhcsp@ix.netcom.com

ST. LOUIS**Local HUD Office**

St. Louis HUD Office
 1222 Spruce Street
 St. Louis, MO 63103
 314-539-6583

City Housing Office

St. Louis Community Development Administration
 1015 Locust, Suite 1200
 St. Louis, MO 63101
 314-622-3400
 314-622-3413 (fax)
 http://stlouis.missouri.org

Housing Finance Office

Missouri Housing Development Commission
 3435 Broadway
 Kansas City, MO 64111
 816-759-6600
 www.mhdc.com
 info@mhdc.com

Fair Housing

*Metropolitan St. Louis Equal Housing
 Opportunity Council*
 1027 S. Vandeventer Avenue, 4th Floor
 St. Louis, MO 63110
 314-534-5800 or 800-555-3951
 314-534-2551 (fax)
 http://stlouis.missouri.org/501c/ehoc
 ehoc@stlouis.missouri.org

WASHINGTON, D. C.**Local HUD Office**

Washington, D.C., HUD Office
 820 First Street, NE, Suite 450
 Washington, DC 20002
 202-275-9200
 202-275-0967 (TDD)

City Housing Office

*District of Columbia Department of
 Housing and Community Development*
 801 N. Capitol Street, NE, 8th Floor
 Washington, DC 20002
 202-442-7200
 202-442-8391 (fax)
 www.dhcd.dcgov.org

Housing Finance Office

District of Columbia Housing Finance Agency

1275 K Street, NW, Suite 600

Washington, DC, 20005

202-408-0415

202-408-2769 (fax)

www.dcbfa.org

dchouse@capaccess.org

Fair Housing

Equal Rights Center

1212 New York Avenue, NW, Suite 500

Washington, DC 20005

202-289-5360

202-289-4351 (fax)



appendices

A. HOUSING SUBSIDY PROGRAMS

Dozens of federal, state, and local financing, subsidy, and technical assistance programs are the linchpins of neighborhood real estate development projects. The amount of funds or credit available can vary from year to year depending on government action, however, and requests for financial assistance far exceed the limited resources available in most cities and states. Major programs that site leaders should expect to encounter include the following:

+ **Community Development Block Grants (CDBG)**

Created in 1974, the CDBG program is administered by the U.S. Department of Housing and Urban Development. CDBG passes money to states, some urban counties, and cities with populations above 50,000. Typically, municipalities use a portion of these funds for housing development—such as home rehabilitation and the acquisition, rehabilitation, and resale of vacant properties—and for economic development, including commercial areas. CDBG funds are intended to benefit low- and moderate-income people, but are often used by cities to facilitate the redevelopment projects of major developers, frequently resulting in little or no affordable housing.

+ **Section 8**

This program provides rental assistance to very-low-income tenants in privately owned nonprofit or for-profit properties. Section 8 tenants pay up to 30 percent of their incomes for rent; the federal government pays the difference between that and a HUD-determined fair-market rent charged by the property owner. There are two kinds of Section 8 programs. Housing certificates or vouchers are tied to the tenant, for use wherever the tenant lives. The second type, called Section 8 project-based housing, is tied to the apartment unit, so that anyone who moves in receives the subsidy. Project-based Section 8 is very attractive to nonprofit developers because it

guarantees fair-market rent: Even when a tenant moves, the Section 8 apartment is still subsidized. However, the federal government has put most of the Section 8 assistance in recent years into certificates and vouchers.

+ **Low Income Housing Tax Credits**

In 1986, Congress created this credit, which is now the most important mechanism for promoting the development of affordable rental units, generating around 100,000 units per year. Tax-paying developers receive a tax credit for a portion of the costs of developing affordable rental housing, roughly 9 percent of the project costs per year for 10 years. There is a lower credit—4 percent—for federally subsidized properties. Although nonprofit developers do not pay taxes and thus cannot use the tax credit, they are allowed to sell their theoretical tax credits to for-profit investors. In some cases, private corporate investors—frequently banks—purchase a nonprofit's tax credits for specific projects. More recently, large nonprofit and for-profit entities have created equity funds, which attract investments from multiple corporations; those investments are pooled and used to purchase the tax credits of blocs of eligible projects. The Enterprise Foundation and the Local Initiatives Support Corporation, the nation's two largest nonprofit community development intermediaries, manage the largest of these equity funds, which are almost entirely dedicated to low-income housing development.

+ **HOME**

HOME funds, also from HUD, are provided to eligible communities for affordable-housing development, including homeownership counseling and even local tenant rental assistance. HOME's distinctive 15 percent set-aside must be used to support the activities of a community's nonprofit housing developers, called Community Housing Development Organizations (CHDOs). Many municipalities are going beyond the 15 percent set-aside requirement,



in part because HOME funds have income-targeting requirements that make them suitable to support neighborhood-based nonprofit developers.

+ **Empowerment Zones**

Although the program is now winding down, *Making Connections* site teams and participants should be aware that the federal government designated many low-income areas throughout urban and rural America as Empowerment Zones, eligible for roughly \$100 million per zone in federal grants and other incentives. Also targeted are areas for Supplemental Empowerment Zones, Enhanced Enterprise Communities, and Enterprise Communities, all eligible for smaller grants through significant tax and financing incentives. Housing is not a central thrust of the Empowerment Zone process—it is fundamentally geared toward business development, job creation, and job retention, and it often is used for various kinds of commercial and industrial development—but most Empowerment Zones have some housing elements in their plans.

+ **Section 202**

This federal program of financing housing for the elderly was created for nonprofit developers. It is a deep source of subsidy, providing capital advances and project-based rental assistance for elderly tenants. Section 202 is highly competitive, and few small neighborhood-based nonprofits find their way to the top of HUD’s 202 selections.

+ **Section 811**

Similar to the Section 202 program, Section 811 provides both capital advances and project-based rental assistance to persons with disabilities.

+ **HOPE VI**

Congress created HOPE VI, a HUD program, to revitalize distressed public-housing communities. Any public housing authority (PHA) that operates public housing units is eligible to apply for HOPE VI funds. HOPE VI permits expenditures for the capital costs of demolition, construction, rehabilitation and other physical improvements, development of replacement housing, and community and supportive services. It encourages PHAs to seek new partnerships with private entities to create mixed-finance and mixed-income affordable housing that is radically different from traditional public housing “projects.” PHAs administer the program, and can use the grants in conjunction with modernization funds or other HUD funds, as well as municipal and State contributions, public and private loans, and low-income tax credit equity. While most of the funds are to be used for capital costs, a limited amount may be used for community and supportive services.

+ **Homeless Assistance Grants**

These funds are available for HUD’s Continuum of Care and Emergency Shelter Grant (ESG) programs. The Continuum of Care funds can be used for temporary and permanent housing and for supportive services. Funds are awarded in a national competition that requires applicants to follow a Continuum of Care planning process. Current law provides that 30 percent of homeless assistance funds must be used for permanent housing. State and local governments administer the ESG program. ESG funds can be used to convert buildings into shelters or to rehabilitate existing shelters. The funds also can be used for homelessness prevention activities, social services, and operating costs.

+ **Housing Opportunities for People with AIDS**

These funds can be used for a variety of purposes, including acquisition, leasing, or rehabilitation of buildings; supportive services; and rental assistance.

+ **Housing Trust Funds**

Perhaps the fastest growing new sources of government subsidies are housing trust funds created by local and state governments. These funds take dedicated revenue sources, such as real estate transfer fees, and commit them to subsidize the development of low-income housing. Varying widely in design to accommodate local needs, resources, and politics, these funds are often created by government in response to leadership from coalitions, community groups, and housing advocates.

For a compendium of federal housing and community development programs, see the National Low Income Housing Coalition's 2000 Advocate's Guide on the NLIHC website, www.nlihc.org.



B. AFFORDABLE-HOUSING GAP IN 17 MAKING CONNECTIONS CITIES

Metro Area (Year)	Low-Income Renters*	Low-Cost Rental Units**	Affordable Housing Gap	Ratio of Low-Income Renters to Low-Cost Units
Atlanta (1996)	97,000	49,000	48,000	2
Baltimore (1991)	72,000	44,000	28,000	1.6
Boston (1993)	153,000	95,000	58,000	1.6
Denver (1995)	63,000	33,000	30,000	1.9
Detroit (1995)	165,000	95,000	70,000	1.7
Hartford (1996)	38,000	25,000	13,000	1.5
Indianapolis (1996)	44,000	25,000	19,000	1.8
Miami (1995)	157,000	56,000	101,000	2.7
Milwaukee (1994)	59,000	31,000	28,000	1.9
New Orleans (1995)	65,000	50,000	15,000	1.3
Philadelphia (1995)	187,000	85,000	102,000	2.2
Providence (1992)	46,000	24,000	22,000	1.9
San Antonio (1995)	51,000	43,000	8,000	1.2
San Diego (1994)	89,000	33,000	56,000	2.7
Seattle-Tacoma (1996)	78,000	31,000	47,000	2.5
St. Louis (1996)	95,000	72,000	23,000	1.3
Washington, DC (1993)	97,000	55,000	42,000	1.8

*Annual incomes below \$12,000 in 1995 dollars.

**Occupied and vacant rental units with costs below \$300 a month in 1995 dollars.

Example: In the Phoenix metro area, there were 78,000 low-income renters, but only 29,000 low-cost rental units, a shortage of 49,000 units in 1994. There were 2.7 low-income renters for every low-cost rental unit.

Daskal, Jennifer. *In Search of Shelter: The Growing Shortage of Affordable Rental Housing*. Washington, D.C.: Center on Budget and Policy Priorities, June 15, 1998.

**C. HOUSING-COST BURDENS AND AVAILABILITY OF SUBSIDIZED HOUSING IN
17 MAKING CONNECTIONS CITIES**

Metro Area (Year)	Number of Poor Renters	Percent of Poor Renters	Number of Poor Renters	Percent of Poor Renters	Number of Poor Renters	Percent of Poor Renters
Atlanta (1996)	40,000	82%	30,000	61%	25,000	41%
Baltimore (1991)	44,000	80%	33,000	60%	23,000	40%
Boston (1993)	55,000	78%	55,000	63%	48,000	53%
Denver (1995)	23,000	72%	17,000	53%	14,000	41%
Detroit (1995)	101,000	80%	78,000	62%	48,000	36%
Hartford (1996)	16,000	76%	12,000	57%	12,000	55%
Indianapolis (1996)	18,000	78%	15,000	65%	7,000	30%
Miami (1995)	84,000	82%	67,000	66%	41,000	37%
Milwaukee (1994)	32,000	84%	23,000	62%	9,000	25%
New Orleans (1995)	31,000	78%	24,000	60%	15,000	36%
Philadelphia (1995)	106,000	85%	91,000	73%	42,000	29%
Providence (1992)	24,000	77%	18,000	58%	13,000	39%
San Antonio (1995)	28,000	76%	17,000	46%	17,000	46%
San Diego (1994)	42,000	83%	35,000	69%	12,600	24%
Seattle-Tacoma (1996)	27,000	75%	22,000	61%	18,000	44%
St. Louis (1996)	43,000	91%	33,000	63%	22,000	37%
Washington, DC (1993)	47,000	76%	34,000	55%	31,000	47%

Example: In 1996, 43,000 poor renters in St. Louis—91 percent of all poor renters in the area—spent at least 30 percent of their income on housing. Some 33,000 poor renters—63 percent of all poor renters—spent at least half their income on housing. Some 22,000 poor renters—37 percent of all poor renters—lived in subsidized housing.

Daskal, Jennifer. *In Search of Shelter: The Growing Shortage of Affordable Rental Housing*. Washington, D.C.: Center on Budget and Policy Priorities, June 15, 1998.

D. GAP BETWEEN HOUSING COSTS AND INCOME IN 22 MAKING CONNECTIONS JURISDICTIONS

Metropolitan Statistical Area	Family AMI		Max Affordable Monthly Housing Cost by % of Family AMI			Estimated Renter AMI		Max Affordable Housing Cost Per Month	TANF State TANF Grant		Max Affordable Housing Cost Per Month
	Annual	Month	30	50	80	Annual	Month		Annual	Month	
Atlanta	\$59,900	\$4,992	\$449	\$749	\$1,198	\$35,411	\$2,951	\$885	\$3,360	\$280	\$84
Baltimore	\$60,600	\$5,050	\$455	\$758	\$1,212	\$36,997	\$3,083	\$925	\$4,788	\$399	\$120
Boston	\$62,700	\$5,225	\$470	\$784	\$1,254	\$38,482	\$3,207	\$962	\$6,780	\$565	\$170
Camden	\$55,600	\$4,633	\$417	\$695	\$1,112	\$29,529	\$2,461	\$738	\$5,088	\$424	\$127
Denver	\$58,600	\$4,883	\$440	\$733	\$1,172	\$31,381	\$2,615	\$785	\$4,272	\$356	\$107
Des Moines	\$55,300	\$4,608	\$415	\$691	\$1,106	\$30,492	\$2,541	\$762	\$5,112	\$426	\$128
Detroit	\$60,500	\$5,042	\$454	\$756	\$1,210	\$30,284	\$2,524	\$757	\$5,508	\$459	\$138
Hartford, New Britain, Middletown	\$59,600	\$4,967	\$447	\$745	\$1,192	\$33,624	\$2,802	\$841	\$6,516	\$543	\$163
Indianapolis	\$54,600	\$4,550	\$410	\$683	\$1,092	\$30,807	\$2,567	\$770	\$3,456	\$288	\$86
Louisville	\$48,400	\$4,033	\$363	\$605	\$968	\$24,661	\$2,055	\$617	\$3,144	\$262	\$79
Miami	\$42,400	\$3,533	\$318	\$530	\$848	\$25,758	\$2,147	\$644	\$3,636	\$303	\$91
Milwaukee	\$57,600	\$4,800	\$432	\$720	\$1,152	\$32,945	\$2,745	\$824	\$8,076	\$673	\$202
New Orleans	\$40,400	\$3,367	\$303	\$505	\$808	\$25,422	\$2,119	\$636	\$2,280	\$190	\$57
Oakland	\$65,700	\$5,475	\$493	\$821	\$1,314	\$37,661	\$3,138	\$942	\$7,512	\$626	\$188
Philadelphia	\$55,600	\$4,633	\$417	\$695	\$1,112	\$31,855	\$2,655	\$796	\$4,836	\$403	\$121
Providence, Pawtucket, Fall River	\$48,100	\$4,008	\$361	\$601	\$962	\$26,276	\$2,190	\$657	\$6,648	\$554	\$166
San Antonio	\$41,900	\$3,492	\$314	\$524	\$838	\$25,408	\$2,117	\$635	\$2,256	\$188	\$56
San Diego	\$52,500	\$4,375	\$394	\$656	\$1,050	\$32,457	\$2,705	\$811	\$7,512	\$626	\$188
Savannah	\$44,200	\$3,683	\$322	\$533	\$884	\$24,950	\$2,079	\$624	\$3,360	\$280	\$84
Seattle, Bellevue, Everett	\$62,600	\$5,217	\$470	\$783	\$1,252	\$34,438	\$2,870	\$861	\$6,552	\$546	\$164
St. Louis	\$52,000	\$4,333	\$390	\$650	\$1,040	\$28,717	\$2,393	\$718	\$3,504	\$292	\$88
Washington, DC	\$78,900	\$6,575	\$592	\$986	\$1,578	\$47,837	\$3,986	\$1,196	\$4,788	\$399	\$120

resource GUIDES

As part of the *Making Connections* Technical Assistance/ Resource Center, the following Resource Guides are scheduled to be produced before the end of 2001:

Economic Opportunities for Families

- + Connecting Families to Jobs
- + Building Family Assets

Enhancing Social Networks

- + Family Support
- + Residents Engaged in Strengthening Families and Neighborhoods

Building High-Quality Services and Supports

- + Building More Effective Community Schools
- + Community Safety and Justice
- + Child Care for Communities
- + Meeting the Housing Needs of Families
- + Community Partnerships to Support Families
- + Improving Health Care for Children and Families
- + Developing Community Responses to Domestic Violence

Techniques for Advancing a Family Strengthening Agenda in Neighborhoods

- + Using Strategic Communication to Support Families and Neighborhoods
- + Connecting Families to Computers and On-Line Networks
- + Outcomes-Based Accountability



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