Affordable Housing as a Platform for Improving Family Well-Being: Federal Funding and Policy Opportunities

The collapse of the housing market and waves of foreclosure that have swept across the country since the economic recession began in 2007 have forced the nation to take a critical look at the affordable housing policies. Widespread foreclosure in particular has resulted in the loss of family and neighborhood assets, increased crime, decreased property values and a rise in housing instability. This has deeply affected the well-being of children and families and will have long-term effects on the economic vitality of the county.

Increasingly, this link between safe and adequate housing and well-being has contributed to community leaders, advocates and policymakers demonstrating an understanding of the role that *place* plays in influencing the lives and life chances of children and families. Living in a distressed neighborhood exacerbates the effects of family poverty on individual educational achievement, economic prospects, health as well as other indicators of well-being. Neighborhoods of concentrated poverty also often lack the supports, services and opportunities residents need to reach their full potential.

Historically, federal housing policy has played a role in creating many of today's economically distressed communities. Modern efforts to address the inequities that emerged from discriminatory policies and practices have largely focused on increasing the supply of affordable housing. While important, addressing the supply of affordable housing alone is not sufficient to improve the well-being of individuals and families in these communities. Rather, adequate and affordable housing should be seen as a foundation for creating strong, stable communities; requiring comprehensive investments to create the kinds of neighborhoods in which families can thrive.

Under the current administration, federal housing policies are moving toward more comprehensive community development strategies that respond to the diverse needs of families. Much more of this kind of support is needed. Many communities have already begun to creatively leverage existing federal resources to address resident needs. Those experiences provide important lessons about the capacity and resources needed to be successful.

This brief focuses on the connection between housing and family well-being, discusses the role that federal policy has played in the past and can play in the future to create places where all families can thrive and provides examples of how communities are leveraging existing federal resources to advance local efforts.

The Current Affordable Housing Crisis

Before the recent collapse in the housing market, homeownership was highly regarded as the path to financial security, generational wealth and economic stability for American families. For most, owning a decent single family home was a symbol of the American dream. From 2000 to 2006, there was an unprecedented acceleration in home prices as the housing boom expanded homeownership across the country.[1] At the same time, many lenders began giving high interest loans to borrowers who had poor or no credit.[2] Increasingly, these "subprime loans" and other predatory lending practices made it easier for low-income families to own their own homes.[3] In 2007, as the economy began to decline, home prices did as well. Families who had taken out loans they could not afford, sometimes on the advice of lenders, struggled to make mortgage payments during an era of unprecedented job losses. Unable to sell or refinance properties that had lost significant value, families were forced into foreclosure.

The Center for Responsible Lending estimates that from January 2007 through the end of 2009, there were 2.5 million foreclosures in the United States.[4] This has had a devastating impact on family and neighborhood wealth, especially for minority communities. Many of the higher-cost subprime loans made in the few years before the start of the foreclosure crisis were made to black and Latino borrowers who could have qualified for lower-cost prime loans.[5] Since the recession began, nearly 8 percent of both blacks and Latinos have lost their homes to foreclosures compared to 4.5 percent of whites.[6] The effects of foreclosure also impact the wealth of minority communities overall. According to the Center for Responsible Lending, between 2009 and 2012, $194 and $177 billion will have been drained from black and Latino communities, respectively, due to both a loss in wealth from foreclosed homes and as a result of property value depreciation.[7]

The collapse of the housing market has also exposed the increasing unavailability of affordable housing in the rental market as the demand for rental units has increased. According to the Department of Housing and Urban Development (HUD), the accepted definition of affordability is for a household to pay no more than 30 percent of its annual income on housing.[8] Beginning in the late 1990s, condo conversions, housing speculation and gentrification began to significantly reduce the number of units affordable to low-income renters earning less than $16,000.[9] This rising lack of affordability in the rental market compounded with the foreclosure crisis has only increased the numbers of those who struggle with housing security. From 2007 to 2009, there was a dramatic 20 percent increase in families with "worst case housing needs" (low-income households who paid more than half their monthly income for rent or lived in severely substandard housing).[10] By 2009, the number of renters paying over 30 percent of their income for housing reached 18.5 million which represents 52 percent of all U.S. renters.[11] Extremely Low-Income (ELI) renter households (those earning 30 percent or less of their area's median family income) faced an "absolute shortage" of affordable housing units in 2009 with only 6.1 million affordable units for 9.2 million ELI renters.[12]

To make matters worse, recent studies also indicate that wages have not kept up with rising housing costs in both the homeownership and rental markets.[13] HUD estimates that a family with one full-time worker earning the minimum wage ($7.25) cannot afford the local fair market rent (FMR) for a two-bedroom apartment anywhere in the U.S.[14] In fact, according to the National Low-Income Housing Coalition, workers would have to earn $18.46 per hour to afford a two-bedroom unit.[15] Similarly, in the homeownership market, despite historically low mortgage interest rates and a decline in home prices, mortgages are frequently unaffordable. The median home price is $180,000, which requires an annual income of approximately $54,000 to qualify for a mortgage; however, real median household income in the United States is only $47,000 and has declined by 4.2 percent since 2007.[16]

The Negative Impact of Inadequate Housing on Well-being

The lack of affordable housing has led to high rent burdens, overcrowding, substandard housing and housing insecurity for many American families, exacerbating poor outcomes for those in economically distressed communities.[17] Living in a distressed neighborhood further intensifies the effects of family poverty on individual educational achievement, economic prospects, health and other measures of well-being. Neighborhoods of concentrated poverty deprive the larger community of needed human and financial capital while also isolating residents from the resources and networks they need to reach their potential.[18] Many of the most impoverished communities are also racially segregated. Segregation magnifies other challenges such as crime, the movement of middle class residents to better neighborhoods and a perpetual shortage of finance capital, local business, employment opportunities and other institutional resources.[19] This creates a cycle in which crime, health and education problems continue to restrict the opportunities of those living in these communities.[20]

Though many believe the recession has now ended, the foreclosure crisis has been linked to long-term consequences for child well-being as it is expected to take families several years to rebound from the economic consequences of the recession.[21] Foreclosures have displaced families, resulting in frequent moves and, for some, periods of homelessness.[22] The lack of a stable home negatively affects children's social development, and the frequent school changes that often result from housing instability are associated with poor academic performance and educational attainment.[23] For example, children who move frequently during their early years are less likely to graduate from high school than their less mobile peers.[24] Residential instability is also associated with increased stress and adverse health outcomes. For example, studies continually show that homeless children are more vulnerable to mental health problems, developmental delays and depression than children who are stably housed.[25]

In contrast, affordable and stable housing has been linked with improving health, education and economic outcomes for families and children. Stable housing is both a foundation for well-being as well as a platform for connecting people to services and resources that include quality health care centers and schools, community centers, grocery stores and libraries. When housing is stable and affordable, families can spend more time and resources on medical care, nutritious food, transportation to and from work and quality day care services.[26]

How Housing Policy Has Historically Influenced Communities

Federal housing policies can play a significant role in positioning affordable housing as an anchor for creating the kinds of neighborhoods where all families thrive and have access to the supports, services and opportunities they need to ensure their children succeed. Unfortunately, federal policy has not always done so; in fact, for many decades, federal policies helped to spur and deepen segregation in neighborhoods. Formal and informal racial segregation and discrimination have been a part of the U.S. housing market since the 1930s as racial steering and redlining[27] limited housing choices for many people of color.[28] For example, in the post World War II era, housing financing through the Federal Housing Administration and Veterans Administration contributed to a mass exodus to the suburbs.[29] The Servicemen's Readjustment Act of 1944, commonly known as the GI Bill of Rights, was intended to help returning soldiers go to college, finance a small business or buy a home; however, blacks were significantly excluded from homeownership benefits as a result of discrimination from federal financing. Federal agencies that developed during the 1930s to increase homeownership rates among Americans facilitated the creation of segregated communities and suburbanization by making the purchase of suburban homes cheaper than renting in the cities and using neighborhood characteristics like race and class to inform mortgage decisions at the expense of blacks.[30] In fact, the Federal Housing Administration (FHA) developed maps that delineated the desirability of neighborhoods for home mortgage purposes by the race, ethnicity and class of residents.[31] Many private lenders then developed their own ranking systems that similarly used underwriting guidelines that favored white buyers and that supported segregating racial groups into separated communities.[32] The result was that between 1930 and 1950, while three out of five homes purchased in the U.S. were financed by the FHA, less than two percent of the FHA loans were made to non-white home buyers.[33]

This suburbanization was further fueled by the private desire among families and employers to distance themselves from people of color and later to escape from the crime and poverty of the inner city.[34] As discriminatory policies and practices acted to confine people of color, particularly blacks, to a limited section of city neighborhoods, poverty became increasingly concentrated in those communities.[35] Previously vibrant cities suffered as jobs and tax bases relocated outside metropolitan areas and poor neighborhoods became increasingly isolated from social and economic opportunities.[36]

Concentrated poverty was exacerbated by the dispersion of entry-level jobs and the lack of affordable housing options in many suburban communities.[37] Even in the past decade, from 1998 to 2006, jobs have shifted away from the city center to the suburbs in virtually all industries due to land use and zoning, transportation investments and governance arrangements, which influence the spatial location of jobs in a metro area.[38] Suburban areas today are increasingly characterized by traffic congestion and higher costs of services.[39]

Although blacks and other minorities are less starkly segregated than in the past, virtually all high-poverty neighborhoods still contain mostly minority households.[40] By 2000, the census showed that only six suburbs out of 50 have more than 20 percent people of color living in them.[41] Poor white households are more likely to be geographically dispersed than poor black or Latino households.[42] Yet, as this brief demonstrates, there is a growing opportunity for federal policy to support communities in ensuring healthy, stable, multi-cultural, multi-ethnic, mixed-income communities.

The Movement of Federal Policy Towards Integrated Place-Based Strategies

While addressing affordable housing is critical to strengthening communities, it is important to understand that investments in housing stock alone are not enough to address the multiple needs, as outlined, of those living in these neighborhoods. Even with federal assistance, 55 percent of those receiving subsidies still live in unaffordable, inadequate or crowded housing.[43] More comprehensive policies are needed to ensure that increasing housing access and affordability is part of a more comprehensive effort to build safe, stable and opportunity-rich neighborhoods.

The Obama administration has repeatedly articulated this commitment to an integrated community development agenda that addresses not only housing needs but the overall well-being of families and neighborhoods. Specifically, the goal has been to "rebuild HUD as a powerful agent for advancing not only national housing objectives but, through housing, broader economic, social and energy goals as well."[44] As a result, HUD has sought to focus on urban and community development that integrates transportation, education, health and workforce development.

The 2009 American Recovery and Reinvestment Act (ARRA) was the first step in this direction. While the immediate focus of ARRA was dealing with the financial crisis, the act also initiated the administration's integrated community development approach. ARRA invested nearly $14 billion in HUD programming for efforts including modernization and "greening" of public and assisted housing, jumpstarting the stalled low-income housing tax credit market, stabilizing neighborhoods hard hit by foreclosures and new funding for the prevention of homelessness.[45] This new funding encouraged states and localities to think more comprehensively about their community development strategies and to work across agencies and sectors to meet community and economic revitalization goals.

Since that time, federal budget proposals for housing-related funds have become centralized around some common themes:

- Situating housing as a platform for improving quality of life and creating neighborhoods of opportunity
- Taking a place-based and regional approach to addressing the needs of individuals and families
- Increasing sustainability in communities through strong infrastructure and green development
- Supporting strong partnerships with residents to create inclusive and equitable planning and development
- Encouraging collaboration across agencies and between multiple stakeholders and partners to address the integrated, complex needs of community members, such as education, employment, transportation and health care

The following are some of the key new housing programs that have emerged under the current administration and for which local nonprofits and community partnerships have been eligible:

- **Choice Neighborhoods Initiative**. HUD's Choice Neighborhoods was first proposed as a replacement of HOPE VI (though HOPE VI remains a separately funded program in the federal budget).[46] This program makes funding available to a wider range of local stakeholders, encourages greater community investment in redevelopment projects, widens the range of eligible activities and emphasizes the importance of involving residents early and meaningfully in a planning process. The central idea is that comprehensive community planning and implementation have the best chance of success when residents play a meaningful role in the process and the needs they articulate from their neighborhood are addressed.
- **Sustainable Communities Regional Planning Grants**. In the Sustainable Communities initiative, HUD has partnered with the Departments of Transportation (DOT), Education and Energy to ensure "more walkable, transit-oriented, mixed-income and mixed-use communities."[47] These sustainable development patterns result when better coordination of transportation, infrastructure and housing investments exist. Through the Sustainable Communities Initiative, 45 regional areas will be supported to integrate housing, land use, economic and workforce development, transportation and infrastructure investments. HUD anticipates this holistic planning approach will help build stronger communities where the quality and location of housing are linked to quality schools, safer streets and better access to jobs.
- **TIGER (Transportation Investment Generating Economic Recovery) II.** These grants are named TIGER II to distinguish them from the "TIGER Discretionary Grant" program authorized by ARRA, which had similar objectives. These grants are awarded by the Department of Transportation to fund innovative surface transportation projects that could improve communities' quality of life while advancing broader transportation goals. The funded projects are intended to help strengthen the economy, create jobs and provide safe, affordable and environmentally sustainable transportation choices.
- **Community Challenge Planning Grants**. HUD awarded these grants to support local planning activities that integrate transportation, housing and economic development. The Community Challenge Planning Grants were intended to foster reform and reduce barriers to achieving affordable, economically vital and sustainable communities. The grant focuses on individual jurisdictions and increased localized planning, and it supports the development of affordable housing through the development and adoption of inclusionary zoning ordinances.

Please see the Appendix for a more comprehensive list of federal funding streams that support access to affordable housing and community development.

In some cases, the administration has also taken steps to encourage collaboration between agencies through grant application requirements and review in order to recognize the importance of taking an integrated approach to housing, transportation, infrastructure, education and health. For example, in the most recent Choice Neighborhoods Notice of Funds Available (NOFA), HUD emphasizes the importance of building partnerships to ensure successful planning and implementation of efforts to transform communities. HUD states specifically that it intends to work with other federal agencies to leverage and build upon other funding streams and interventions to ensure the success of the awards. One step towards that commitment is the competitive advantage given to Choice Planning Grant Applicants that receive a Promise Neighborhoods Planning Grant.[48] The Choice NOFA sets aside four Choice Neighborhoods Planning Grants for this purpose.

The TIGER II grant process is another example of this kind of federal collaboration. DOT and HUD developed a joint NOFA for the TIGER II planning grants and the Community Challenge Planning Grants in order to better align transportation, housing, economic development and land use planning and improve linkages between DOT and HUD's programs. The Environmental Protection Agency and the U.S. Department of Agriculture were additional agency partners brought in to help evaluate these grant applications.

In addition, the administration has sought to create more intentional interagency collaboration to support community revitalization. Recently, the White House formed the Neighborhood Revitalization Initiative (NRI), an interagency collaboration between the White House Domestic Policy Council, White House Office of Urban Affairs and the Departments of Housing and Urban Development, Education, Justice, Health and Human Services and Treasury. This initiative is charged with restructuring and developing federal strategies that can support local efforts to transform distressed neighborhoods into neighborhoods of opportunity.

How Communities are Leveraging Federal Resources to Improve Family Well-Being

Current federal programs and initiatives point to a new direction in housing policy that focuses on both building better communities and meeting the needs of the individuals and families who live there. However, the reality is that the current need outweighs existing resources. Still, new funding sources, while limited, present an opportunity for communities to influence more specific funding support for neighborhood-level interventions. Many communities have already begun to creatively leverage existing federal resources to advance comprehensive community development work that is place-based, focused on family well-being and addressing challenges to equity.

The following examples will demonstrate how federal resources have been utilized to meet the needs of distressed communities. These communities have used an array of federal funding to prevent the collapse of stable housing due to foreclosure, connect employment and training needs with housing affordability and ensure that families have access to the services and supports they need. These examples show how communities are intentionally building their capacity to ensure the success of their efforts and position themselves for future investment. These capacities include:

- **Developing innovative strategies** that position stable housing as a platform for providing services and opportunities to individuals and families.
- **Building effective partnerships** across agencies and sectors to ensure coordinated access to resources. Partners include residents of the target communities who help to both design and implement the strategies needed.
- **Focusing on sustainability** from the onset of the project by leveraging even those federal resources that are not directly related to housing; and, developing ongoing relationships with private businesses and foundations.

Responding to Foreclosure Needs. Responding to immediate needs brought on by foreclosures has led many communities to forge new relationships with diverse partners and think creatively about the solutions needed in their communities. For example, in the fall of 2008, the Making Connections Network Center for Community Change in Louisville, Kentucky secured funding from the Annie E. Casey Foundation for the Louisville Legal Aid Society to build out a stronger local response to Louisville's foreclosure crisis. The result is the Jefferson County Foreclosure Conciliation Project (FCP), which brings lenders and homeowners together to explore alternatives to foreclosure in a court-scheduled conference. To be successful, the Network Center designed and implemented a resident outreach campaign across the city to reach homeowners who have been served a foreclosure notice. As the program grew, the founding partners engaged new funding sources to continue supporting this resident engagement work. Legal Aid was awarded four AmeriCorps workers and Metro Louisville received ARRA Community Services Block Grant funding to support paid community outreach staff. In the program's first year, outreach workers talked directly to 832 homeowners to ensure they were connected to services offered by FCP. Because of the strong outreach to residents, by the end of the first year, the FCP prevented an estimated $9 million loss in property value by successfully connecting residents with foreclosure prevention interventions.

Chicago's Home Ownership Preservation Initiative (HOPI) program also leveraged partnerships within the community to respond to the emerging local foreclosure crisis. HOPI is a partnership of Neighborhood Housing Services (NHS) of Chicago, the Chicago Department of Housing, the Federal Reserve Bank of Chicago and lending, investment and servicing institutions that focuses on foreclosure prevention and vacant property reclamation.[49] HOPI convenes local practitioners and policymakers to share ideas and best practices in foreclosure prevention and serves as an intermediary to connect residents to the services offered by the partner organizations. Area lenders and servicers work closely with HOPI to pay for the costs of housing counseling, restructure loans when needed and work with the city on the disposition of foreclosed properties. Because of the success of the program, the partnership was able to leverage ARRA Community Development Block Grant funds to expand to expand to a larger scale.[50] The Chicago Community Trust, NHS and the Federal Reserve Bank of Chicago helped to form this Regional Homeownership Preservation Initiative (RHOPI) to break down silos between jurisdictions working towards neighborhood stabilization in the Chicago metropolitan area.

Connecting Housing and Employment. In addition to meeting the immediate needs of families in crisis, other communities have focused on the dual and interrelated impact that the recession has had on both employment and housing. In Atlanta's Pittsburgh Neighborhood, leaders and community residents partnered to apply an "asset-based" approach to neighborhood revitalization by combining efforts to increase access to affordable housing with a neighborhood-based workforce pipeline. In March 2009, Sustainable Neighborhood Development Strategies, Inc. (SNDSI) was launched to increase economic development investments and stabilize the housing market in Pittsburgh.[51] SNDSI formed the Partnership for the Preservation of Pittsburgh (PPoP) with the Pittsburgh Community Improvement Association, which is lead by residents. Using HUD Neighborhood Stabilization Program funds, PPoP is acquiring foreclosed housing and working in partnership with The Center for Working Families, Inc. (TCWFI) to connect residents with career opportunities in the rehabbing of these homes and to provide healthy and energy efficient homes to residents. To help residents overcome barriers to securing and maintaining employment, TCWFI offers transportation assistance, child care subsidies and computer literacy training. Atlanta's work is also supported by the Annie E. Casey Foundation.

This model of connecting housing and workforce development is also receiving some national attention as a result of the new Social Innovation Fund (SIF) awards. In 2009, the New York City Center for Economic Opportunity (CEO), part of the Mayor's Office, established the first replication of the national Jobs-Plus demonstration in the nation in collaboration with a number of local partners, including the NYC Housing Authority, NYC Human Resources Administration, the City University of New York, and the NYC Department of Small Business Services.[52] The CEO has now received a SIF award to expand this work in New York City, San Antonio, Texas and Tulsa, Oklahoma.

The Jobs-Plus demonstration project, more formally known as the Jobs-Plus Community Revitalization Initiative for Public Housing Families, was originally designed by HUD, the Rockefeller Foundation and MDRC in 1996 and funded through a blend of HUD and other public funding as well as private foundation support.[53] The demonstration ended in 2004 and was shown to have produced positive impacts on residents' earnings for the four years of program operation and an additional three years of follow-up, at which point formal evaluation and data collection ended.[54] Implemented in six public housing developments across the country, the program centered on three key components:

- *Employment related services and activities to help residents secure and retain employment.* This encompassed activities such as help with job searches, coaching to help residents adjust to the world of work, vocational training, General Educational Development (GED) and English as a Second Language (ESL) courses and subsidized work positions to help especially hard-to-employ residents make a transition to the world of work.
- *Financial incentives to work aimed at increasing resident awareness of public housing rent rules that "make work pay."* This included connecting residents to eligible income supports including Earned Income Tax Credit, Food Stamps, Medicaid and other support services such as child care. Additionally, the Jobs-Plus demonstration offered working residents rent-based incentives to keep them employed. Participants had the option of a flat rent — one that does not rise as

the household's income rises — or an income-based rent set lower than the standard rate of 30 percent of income that is stipulated by HUD for residents of public housing.

- *Community support for work to strengthen social ties amongst residents to help support their job preparation and work efforts*. Community residents were also recruited to encourage neighbors to take advantage of Jobs-Plus services. These residents received stipends as compensation for their contributions. The goal was to create a social environment in which work was a pervasive theme.[55]

Other communities are taking advantage of the new focus on green development to link housing and workforce development. For example, the Capital Area Michigan Works! YouthBuild Program partnered with the Ingham County Land Bank, Lansing Community College, the city of Lansing, the Michigan Laborers' Apprenticeship and Training Institution and Eagle Vision Ministries to create a job training program in residential green construction for local youth.[56] Participants take four building trades courses at the community college, acquire leadership training and receive on-the-job training by rehabilitating and greening land bank-owned properties that are purchased from HUD for $1 each plus closing costs. Students receive on-the-job training earning $230 a week for 32 hours. Upon completion, students also receive the community college's residential building certificate and a Green Advantage Environmental Certificate to help ensure they have an advantage in jobs in the construction and weatherization industries. The program is focused on serving high school dropouts or those with a GED, ex-offenders, foster youth, the disabled, migrant farmers and low-income young people. After completion, the YouthBuild program will provide follow-up and supportive services for the students for up to two years.

Coordinating Supports and Services for Families. The type of service coordination seen in efforts to connect housing and employment needs is critical for families of distressed communities, particularly when neighborhoods are undergoing periods of redevelopment. Often, revitalization efforts can have the unintended consequences of isolating families from their networks and supports as they are relocated until development is complete. In New Orleans, Urban Strategies has worked to implement a case management system to connect residents of the former C.J. Peete community, which is being redeveloped by McCormick Baron Salazar through HOPE VI funding, to services they need to achieve economic self-sufficiency. Through this system, Urban Strategies coordinates a network of more than 25 public, faith-, and community- based organizations, leveraging $27 million in public and private resources for resident services and supports. In addition to the HOPE VI funding, Urban Strategies utilizes Resident Opportunities and Self Sufficiency (ROSS) funding which can be used to support case management services. To build ongoing capacity within the community, Urban Strategies has also used a $1,000,000 grant from the Department of Health and Human Services (DHHS) Non-profit Capacity Building Program to provide 40 nonprofits with technical assistance, training and financial support to increase their capacity to provide services and opportunities to residents.

Case management is also central to revitalization efforts in Baltimore, Maryland, where family advocates are ensuring that families have the services they need during redevelopment. East Baltimore Development Incorporated (EBDI) has assembled a combination of public and private funding to support transforming an 88-acre neighborhood adjacent to the Johns Hopkins University and Hospital complex into a mixed-income resident community.[57] Private funding has largely come from the Annie E. Casey Foundation. In terms of federal support, EBDI has leveraged New Market Tax Credits and HUD Section 108 loans to the City of Baltimore to support this work. Residents have played key roles in the process as partners and stakeholders. Residents serve on EBDI committees and the EBDI Board of Directors, ensuring that plans are tailored to meet resident's needs. Each household in the target area has been assigned a family advocate who provides ongoing support to ensure that families are relocated successfully and connected to services ranging from health services to child care to financial counseling.

Conclusion

More integrated community development efforts are necessary to respond to the needs of those living in distressed communities and to increase access to stable, quality and affordable housing. With limited funding and policy support, some communities have already begun to creatively leverage federal resources to address resident needs. Those experiences provide important lessons about the capacity and resources required to support communities and achieve better outcomes for individuals and families. Communities who are able to show what works through neighborhood-level interventions will not only strengthen their own case for future federal funds but, by lifting up the importance of neighborhoods, can use these experiences as a platform to advocate for future neighborhood-focused resources.

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APPENDIX

Federal Housing and Community Development Funding

Assets for Independence (AFI) enables community-based nonprofits and government agencies to implement and demonstrate an assets-based approach for giving low-income families a hand up out of poverty. AFI projects help participants save earned income in special-purpose, matched savings accounts called Individual Development Accounts (IDAs). Every dollar in savings deposited into an IDA by participants is matched (from $1 to $8 combined federal and nonfederal funds) by the AFI project, promoting savings and enabling participants to acquire lasting assets. AFI project families use their IDA savings, including the matching funds, to achieve any of three objectives: acquiring a first home, capitalizing a small business or enrolling in postsecondary education or training.

Choice Neighborhoods funds collaborative neighborhood transformation efforts that link housing interventions more closely with school reform, early child innovation, transportation access, employment and expansions of services. Choice Neighborhoods builds upon HOPE VI, which provides competitive funding to public housing authorities in order to improve the living environment for public housing residents of severely distressed public housing through the demolition, rehabilitation, reconfiguration or replacement of severely distressed public housing projects. In addition to public housing authorities, Choice Neighborhoods will involve local governments, non-profits and for-profit developers in undertaking comprehensive local planning with residents and the community.

Community Challenge Planning Grants support local planning activities that integrate transportation, housing and economic development. Specifically, these grants seek to reform and reduce barriers to achieving affordable, economically vital and sustainable communities including: amending or replacing local master plans, zoning codes and building codes to promote mixed-use development, affordable housing, the reuse of older buildings and structures for new purposes and similar activities with the goal of promoting sustainability at the local or neighborhood level.

Community Development Block Grant (CDBG) funds support a broad range of streets, sidewalks, housing construction/renovation and loans for small businesses. Each CDBG funded activity must meet one of the following national objectives: benefit person of low or moderate income, aid in prevention or elimination of slums or blight or meet other community development needs of particular agency. CDBG funds may be used for community development activities (such as real estate acquisition, relocation, demolition, rehabilitation of housing and commercial buildings), construction of public facilities and improvements (such as water, sewer, and other utilities, street paving, and sidewalks), construction and maintenance of neighborhood centers, the conversion of school buildings, public services, and economic development and job creation/retention activities. CDBG funds can also be used for preservation and restoration of historic properties in low-income neighborhoods. In addition, 18.5 percent of funds are set aside for a range of human service activities, including social services, education and job training.

The Family Self Sufficiency Program is a HUD program that encourages communities to develop local strategies to help voucher families obtain employment that will lead to economic independence and self-sufficiency. Public housing agencies work with welfare agencies, schools, businesses and other local partners to develop a comprehensive program that gives participating FSS family members the skills and experience to enable them to obtain employment that pays a living wage. A separate program, the public housing FSS program, is available for public housing residents.

The HOME Program allocates funds by formula to states and localities for use in building, buying and rehabilitating affordable housing for rent or homeownership, as well as for providing direct rental assistance to low-income individuals. Jurisdictions must match every dollar of HOME funds with 25 cents of donated property or other resources, and they must ensure that HOME-funded housing units remain affordable for a minimum number of years. HOME funds can also be used in conjunction with the CDBG and the American Dream Down Payment Initiative, which helps minority and lower-income first-time homebuyers deal with down payment and closing costs.

Homeless Assistance Grants provide a range of funding for services to homeless persons and are broken down into two main categories--formula (non-competitive) and competitive. Competitive programs are under the umbrella of Continuum of Care. A continuum of care system is designed to address the critical problem of homelessness through a coordinated community-based process of identifying needs and building a system to address those needs. The approach is predicated on the understanding that homelessness is not caused merely by a lack of shelter but involves a variety of underlying, unmet physical, economic and social needs. The Continuum of Care Homeless Assistance Program includes funding for Supportive Housing Program, the Shelter Plus Care Program and the Single Room Occupancy Program.

Housing Counseling Assistance Program Grants are awarded competitively to hundreds of HUD-approved counseling agencies and State Housing Finance Agencies that offer a variety of services including how to avoid foreclosure, how to purchase or rent a home, how to improve credit scores and how to qualify for a reverse mortgage.

Housing Opportunities for Persons with AIDS (HOPWA) funding provides housing assistance and related supportive services and grantees are encouraged to develop community-wide strategies and form partnerships with area nonprofit organizations. HOPWA funds may be used for a wide range of housing, social services, program planning and development costs. These include, but are not limited to, the acquisition, rehabilitation or new construction of housing units; costs for facility operations; rental assistance and short-term payments to prevent homelessness. The majority of the funding is formula with some competitive grants. Funding is coordinated through local Continuum of Care processes.

Neighborhood Stabilization Program (NSP) grants are used to stabilize communities by allowing for the purchase and redevelopment of foreclosed and abandoned homes and residential properties grantees develop their own programs and funding priorities. However, NSP grantees must use at least 25 percent of the funds appropriated for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50 percent of the area median income. In addition, all activities funded by NSP must benefit low- and moderate-income persons whose income does not exceed 120 percent of area median income. There have been three separate authorizations of NSP funds. NSP1, which references the NSP funds authorized under Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008, provides grants to all states and selected local governments on a formula basis. NSP2, which references the NSP funds authorized under the American Recovery and Reinvestment Act (the Recovery Act) of 2009, provides grants to states, local governments, nonprofits and a consortium of nonprofit entities on a competitive basis. NSP3, which references the NSP funds authorized under the Dodd–Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) of 2010, provides a third round of neighborhood stabilization grants to all states and select governments on a formula basis

Section 202, Housing for the Elderly provides capital grants to eligible non-profit entities for the acquisition, rehabilitation or construction of housing for seniors and provides project based rental assistance to support operational costs for such units.

The Self-help Homeownership Opportunity Program (SHOP) provides funds for non-profit organizations to purchase home sites and develop or improve the infrastructure needed to set the stage for sweat equity and volunteer-based homeownership programs for low-income families SHOP funds are used for eligible expenses to develop decent, safe and sanitary non-luxury housing for low-income persons and families who otherwise would not become homeowners. Homebuyers must be willing to contribute significant amounts of their own sweat equity toward the construction of the housing units. Eligible expenses are limited to land acquisition, infrastructure improvements and administrative costs. Total land acquisition and infrastructure improvement costs together may not exceed an average of $15,000 in SHOP assistance per home. Administrative costs (program administration, planning and management development costs) may not exceed 20 percent of the grant amount.

Sustainable Communities is a new federal funding program aimed at integrating transportation and housing planning in order to increase state, regional and local capacity to incorporate livability, sustainability and social equity values into land use plans and zoning. Through the Sustainable Communities Initiative, a total of 45 regional areas will be supported in their efforts to integrate housing, land use, economic and workforce development, transportation, and infrastructure investments. HUD anticipates this holistic planning approach will help build stronger communities where the quality and location of housing is linked to quality schools, safer streets and better access to jobs. HUD will administer this program in partnership with the Departments of Transportation and Energy.

TIGER (Transportation Investment Generating Economic Recovery) II grants are awarded by DOT to fund innovative surface transportation projects that could improve communities' quality of life while advancing broader transportation goals. TIGER II is distinguished from the "TIGER Discretionary Grant" program authorized by ARRA, which had similar objectives. TIGER II funded projects are intended to help strengthen the economy, create jobs and provide safe, affordable and environmentally sustainable transportation choices by providing financing and capital grants. Grants are awarded on a competitive basis for projects that will have a significant impact on the nation, a metropolitan area or a region.