

HOUSING & COMMUNITY DEVELOPMENT QUARTERLY

APA

American Planning Association
Housing and Community
Development Division

Making Great Communities Happen

A Publication of the Housing and Community Development Division
of the American Planning Association

HUD's Homeless Prevention and Rapid Re-Housing: The Experience in Wake County, North Carolina

By Emily J. Fischbein, AICP

The Homeless Prevention and Rapid Re-Housing Program (HPRP) has been an exciting new mechanism for assisting the citizens of Wake County over the past nine months. HPRP offers flexible financial assistance that provides help with various needs a person may have in order to remain in their current housing or to obtain new housing. These options may include current, future, and back rent and utility payments, short-term hotel stays, moving and storage costs, and legal fees. Ongoing case management to help with employment, budgeting and life skills must be paired with the assistance. The program is a saving grace that enables many to escape homelessness.

Funding for HPRP was issued by the Department of Housing and Urban Development (HUD) in July 2009 as part of the American Recovery and Reinvestment Act (ARRA). The Housing Division of Wake County was awarded \$582,164 and the City of Raleigh Community Development Department was awarded \$991,091. Both units of government are required by HUD to spend the given funds in three years,



Raleigh, Wake County, N.C.

and 60 percent of the funds within two years. Wake County and Raleigh issued a joint Request for Proposals for non-profit agencies to administer the program, and two agencies were selected: The Women's Center of Wake County and Triangle Family Services. The Women's Center is a day shelter with services for homeless women, and has been welcoming female HPRP clients who need financial assistance to prevent them from becoming homeless. Triangle Family Services is an organization that offers various types of housing, counseling, and employment services and is providing HPRP assistance to men, women, and families for both homeless prevention and re-housing for

See HPRP, page 5

The Benefits and Market Applications of Shared Equity Homeownership

By Ryan Sherriff

Shared equity homeownership is an affordable housing mechanism that can be used to preserve the value of government homeownership subsidies in the face of rising home prices, as well as provide low- and moderate-income homeowners with asset-building opportunities not available to renters.

Shared equity homeownership encompasses a variety of programs, usually administered by the public sector or nonprofit organizations, that provide long-term – generally, 30 years or more – or permanently affordable

homeownership opportunities to lower income families. These programs typically involve the investment of large public subsidies to reduce the purchase price of homes, combined with affordability restrictions that help ensure the homes stay affordable to future purchasers and preserve the value of public subsidy.

The programs usually fall into two categories. *Subsidy retention programs* – such as community land trusts, deed-restricted homes and limited equity cooperatives – restrict the resale price

See BENEFITS, page 6

Summer 2010

- 1 Homeless Prevention and Rapid Re-Housing Program
- 1 Benefits of Shared Equity
- 1 HCD Finances
- 2 Self-Help Affordable Housing Program
- 2 HCD Chair's Message
- 3 APA Conference: Call for Concepts
- 3 Planning for a Multigenerational Future
- 4 Summaries of Research Proposals from HCD Grant Recipients
- 4 New HCD Division Members

HCD Revenue & Expenditures Quarterly Report

For April 1 - June 30, 2010

Submitted by Annemarie Maiorano
HCD Secretary/Treasurer

Beginning Balance	
April 1	\$16,554.55

Revenues

Dues revenue from national office	\$1,389.00
-----------------------------------	------------

Expenditures

Officer expenses for National Conference	\$2,005.76
Outstanding PSO Award contribution	\$200.00
Student Awards	\$4,000.00

Ending Balance June 30	\$11,737.79
------------------------	-------------

Architects for Charity
In Partnership With the
City of Brownsville
SELF-HELP AFFORDABLE HOUSING
PROGRAM

In October of 2009, Architecture for Charity of Texas, Inc (ACT), in collaboration with the City of Brownsville, Department of Planning and Community Development, began design and construction of energy efficient affordable homes for qualified families. ACT created a "Project" and a "Program" that allows families to have the opportunity of achieving the homeownership and at the City of Brownsville taking blighted and abandoned property and putting back on the city tax rolls.

The Project consists of the design of energy efficient single family homes, 3 bedrooms, 2 baths and a 1-car garage. These homes are designed and built using a pre fabricated paneling system. It is a new building system that provides very high energy efficiency which will reduce air conditioning and heating capacity by a 1/3; thus, families will save money and energy in the years to come. The City of Brownsville helped to structure this project by providing the funding for the building of these homes and several foreclosed lots for these homes to be built on them. In turn, upon the sale of these homes, these lots are placed back on the tax rolls for continued revenue and at the same time help increase the value of the communities as we continue building new homes within them.

The Program was designed to allow an opportunity for families to purchase these homes directly from ACT, at cost, with a zero percent interest financing allowing monthly payments to fit their income. No "out of pocket" down payment is needed and no minimum credit score required; their monthly payments will never exceed 31% of their monthly income. The program requires qualified families to commit themselves to a minimum of 300 hours of "sweat equity" into the construction of their home. The program is designed to help families willing to help themselves; it engages them in the construction process and allows them to become physically and emotionally involved from beginning to end.

This Project and Program has helped several families achieve the American dream and with the continued efforts of the City of Brownsville and Architecture for Charity, this dream can become true for several more. The price of the homes is \$80,000 to 85,000 making them affordable to many Brownsville citizens. The energy bills average \$27.00 dollars for the electric bill and are windstorm certified.

For more information please contact:

Ben Medina, Jr.
Director of Planning and Community Development
City of Brownsville
benmd@cob.us

Letter from the Chair



Greetings from your new Housing and Community Development (HCD) Chair! Thank you for your vote of support and confidence. I hope to earn your continued approval as Chair over the next two years. A mega-thanks to the outstanding leadership and dedication of our past Chair, Jennifer Raitt. Jennifer served our division for six years, including two as Chair. Of course, AnneMarie Maioranno continues to serve our Division as Treasurer keeping our books

in balance. And, I am pleased to welcome the newest member of the Division leadership, Mr. Ryan Sherriff. Ryan currently works for the Center for Housing Policy, in Washington, D.C. in the capacity of Research Associate.

The New Orleans conference was a success for HCD. Our one "by-right" session, Multi-Generational Planning was outstanding. Although I did not take a one-by-one head count the room was filled to capacity and I would estimate we had a crowd of at least 100 – 125 and equally important they all stayed to the end of the session. The session concerned planning across the life-cycle from families with young children to the fastest growing segment of the American population—seniors. The HCD indirectly sponsored a second session, titled Affordable Housing Funds in Community Development, and it covered how to access the single largest source of private capital for affordable housing. Although the session was not technically an HCD session it nevertheless did come from our membership. As with the first session, the room was full and the audience very engaged during the question and answer period.

We are now planning for the next national conference, which will take place in Boston. Although the next conference is one-year away we all know days quickly turn to weeks and months, hence we need to start planning now. HCD will again have one by-right session. APA is still accepting proposals for the general sessions and other portions of the conference - please see the submission details on page 3.

Also in this newsletter, you will find great articles from around the country on issues that are important to you. For instance, we recap the multi-generation session from New Orleans and innovations in Brownsville, Texas to name just two.

Last, I want to draw your attention to the outstanding winners of our student research grants. We had many outstanding proposals and it was not easy getting it down to the top four. As you read about their research I am sure you will conclude, as I did, that the future of our Division is in good hands with young, bright and dedicated students.

Sincerely,

Nelson Hernandez
HCD Chair

2011 APA Conference: April 9 - 12, 2011

The HCD officers are in the process of planning for the APA 2011 Annual Conference in Boston. Although the proposal deadline for the Division's by-right session has passed, you can still submit proposals for general sessions, workshops, technology showcases, discussions or posters. The deadlines for most proposals is August 24.

Visit <http://www.planning.org/conference/proposals.htm> for more details and instructions on how to submit.

PLANNING FOR A MULTIGENERATIONAL FUTURE

By Keith Wardrip

It should come as no surprise that this country's population is aging. Between 2010 and 2050, those over the age of 65 will increase in number from 40 million to 89 million. As shocking as those numbers are, the real surprise is that recent housing construction trends and a general denial of the coming demographic reality have left us unprepared to accommodate our future housing needs. A shift in perspectives and housing policies is required in order for this country to age successfully.

Rather than adjusting to smaller and smaller household sizes, a trend that has persisted since at least the 1970s, new homes have gotten larger and larger. More often than not, these homes have been single-family units in low-density communities poorly served by public transit. The initial price tag, the cost and labor of maintenance, and the auto-dependence of many new communities today make these homes less than ideal for some older adults who no longer drive, who have physical limitations, and who live on reduced or fixed incomes.

Planning for a future that includes an older population cannot ignore the needs and preferences of families with children, however. Nearly one-third of today's households includes a member under the age of 18. So how do we design communities that can appeal to and attract both populations?

A recent survey, in which 64 percent of planners recognized the overlap between the needs of older adults and families with children, suggests that it may not be as difficult as it first appears. Many of the same features that make a community "livable" for older adults – affordable and accessible homes, transportation options, safe and walkable streets, open spaces, convenient shopping and health services – are also important to families with children. There are some differences, of course. For some older adults, ready access to supportive services is essential in order to live independently. For families with children, good schools and convenient child care are important. But by and large, communities that are truly livable work for everyone.

The housing stock and the built environment in many of today's communities pose a myriad of challenges to realizing the goal of livability. Regarding the former, there is a shortage of 3.1 million units affordable and available to renters with extremely low incomes, and the share of renters burdened by their housing costs has risen from 26 percent to 50 percent over the last four

decades. Many older adults are rightfully worried about whether or not their homes will be able to accommodate their changing abilities as they age. And less than one-quarter of recent

construction has occurred in central cities, where residential density can support nearby public transit, shopping, and other services.

Can the communities that we developed yesterday be retrofitted for tomorrow? With the right mix of planning and public policy, they can. Recognizing that current resources for affordable housing are scarce, the preservation of today's subsidized housing stock must be a top priority. Supportive services must be provided to older adults who wish to live independently. Home modifications to improve not only accessibility but also energy efficiency must be made affordable to those who would benefit most. And public transit systems that operate frequently throughout the day and provide connections to destinations other than job centers must be available to those who cannot or choose not to rely solely on driving.

How can we apply the lessons of the past to tomorrow's communities? Zoning for and permitting a variety of sizes and types of homes will promote market-rate affordability and respond to a host of housing preferences that are ignored today. Policies that promote universal design features in new homes can make the housing stock accessible to all, regardless of ability. And a coordination of housing, transportation, and land-use planning will ensure that the communities of tomorrow are livable and sustainable for generations to come.

Keith Wardrip is a senior research associate at the Center for Housing Policy in Washington, DC.



Proposals from HCD Grant Recipients

The following pieces are summaries of the research proposals from the four HCD grant recipients: Kia Ball (Georgia Institute of Technology), Lilly Okamura (Baruch College CUNY), Kyungsoon Wang (Georgia Institute of Technology,) and Julie Stein (Massachusetts Institute of Technology).

HCD Division annual research grants were awarded to four students pursuing undergraduate or graduate studies in housing and community development. The recipients were selected based on the quality of their grant applications submitted earlier this year, and were provided with \$1,000 each to be used in research towards a graduate thesis or student project.

Identification of Feasible and Innovative Vacant Land Reuse Strategies that Provide Safe, Affordable Housing in Cleveland for All Income Levels

By Lilly Okamura

Cleveland's population has declined by nearly 60 percent over the past 60 years, from 914,808 in 1950 to an estimated population of 397,901 in 2008 (US Census). As a result, there are approximately 3,300 acres of vacant land and 15,000 vacant buildings within the city limits. My research will focus on two strategies that are currently proposed in Cleveland to manage the abundance of underutilized land: 1) a reutilization plan to convert abandoned homes and contaminated brownfield sites into green infrastructure and other productive uses; 2) a proposed road extension to be constructed within an area littered with vacant manufacturing sites.

My research goal is to identify feasible and innovative vacant land reuse strategies that restore the balance between the natural and built environment, and spur economic development. Through my research, my objective is to formulate recommendations for best practices for implementing two ongoing vacant land reuse strategies and propose recommendations for other vacant land management strategies that would be suitable for the greater Cleveland area and beyond.

My research is intended to pull data and case studies from around the world to formulate models for successful implementation of vacant land reuse strategies in Cleveland and other cities with similar challenges. The timeliness of this project is of outmost importance. Cleveland's two efforts are in their initial stages, and the opportunity to concurrently follow and inform the process offers an exciting learning opportunity.



Affirmatively Furthering Fair Housing: Overcoming Barriers to Implementation of the Westchester County, NY False Claims Case Settlement

By Julie Stein

Westchester County, NY was sued by the Anti-Discrimination Center of Metro New York, Inc. (ADC) under the False Claims Act for allegedly failing to meet its Affirmatively Further Fair Housing obligation for Community Development Block Grant funds received between 2000 and 2006. While Westchester County argued that it had an impressive affordable housing development record, ADC claimed that the County had not done the required Analysis of Impediments to fair housing choice vis-à-vis race and that the County had not taken steps to overcome known impediments to fair housing stemming from racial discrimination and segregation. The lawsuit ended in an August 2009 settlement that requires Westchester County to spend \$51.6 million to build 750 units of affordable housing by 2016 in the 31 municipalities in Westchester with the lowest percentage of minority residents. This case could set a precedent for areas nationwide that have historically resisted residential desegregation.

My master's thesis examines the challenges faced by stakeholders when implementing a court-ordered fair housing plan. It asks the question: In the face of various barriers to implementation, how does Westchester County get the required affordable Affirmatively Furthering Fair Housing units built in compliance with both the letter and the spirit of the settlement?

To frame the setting of the lawsuit and settlement, this thesis describes the history of the development of Westchester County and examines the federal housing policy context that shaped its suburban landscape. I then provide a detailed case study of the Westchester County False Claims lawsuit, settlement agreement, and implementation plan. Finally, I analyze barriers that the Westchester County Executive's Office will face in trying to implement the settlement agreement, and I provide political, policy and design recommendations for overcoming these barriers.



Welcome HCD Division New Members!

Ahmed Abukhater

Susan Baldwin

Jennifer Milliken

Kimberly Moreland

Katrina Simon-Agolory

John Touchet

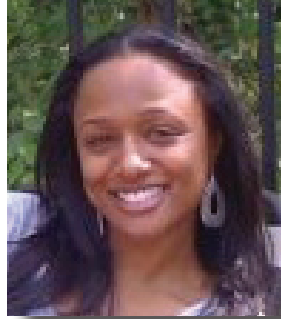
Sharon Vazquez

Stanley Watkins

A Needs Assessment of Permanent Supportive Housing in Atlanta, Georgia

By **Kia Ball**

In 2003, the City of Atlanta, along with several other municipalities, adopted the regional Blueprint to End Homelessness in Ten Years. The plan follows the Housing First model which focuses on providing permanent supportive housing as the primary method of eradicating homelessness. It has been widely accepted that seeking permanent housing first is the best way to address the issue of chronic homelessness. Due to the recent economic downturn, the number of homeless individuals and families is likely to increase drastically since adopting the plan in 2003. As these numbers increase, the City of Atlanta should have supportive housing



development policy that will take into account the more challenging economic environment.

The goal of my research is to produce a needs assessment, taking into account the progress made to date, to determine the most appropriate strategy Atlanta should follow in addressing the local homelessness issue. I will research the local supply and demand of supportive housing units, as well as an assessment of the support services provided. I will also explore the current political feasibility of a new comprehensive strategy. As a result, I will provide a set of recommendations for short, mid, and long-range goals that can be used to update the current Blueprint.

The Impacts of Smart Growth Strategies on Housing Prices, Focusing on Transportation Improvement Programs

By **Kyungsoon Wang**

Lower density and automobile-oriented development patterns, which are common in a sprawled region, contribute to traffic congestion, reliance on the automobile use, and higher energy consumption. In order to combat low-density sprawl and their negative effects, local governments have employed smart growth strategies, promoting mixed-use development, transit-oriented development, and pedestrian infrastructure design. While growth control tools are known to increase house prices at the regional level, little is known about the impacts of smart growth strategies on housing values at the local level.

The purpose of this research is to measure the impacts of smart growth strategies on housing prices focusing on transportation improvement programs at the community level, using a switching regression, expanded from a general



hedonic pricing model. Specifically, the Livable Centers Initiative (LCI) program of the Atlanta region are investigated as an example of smart growth strategies. The LCI program has been administered and funded by the Atlanta Regional Commission (ARC) since 1999 and has contributed to creating livable communities. LCI cases are selected as case study areas based on their functional and geographical characteristics, such as activity center and town center in central city and suburban areas.

As smart growth strategies are increasingly applied to community developments, their economic effects become crucial in policy maker's decision making process. The research results may help decision makers set priorities on public infrastructure investments.

HPRP, from front

the already homeless. Both agencies began seeing clients in October 2009.

The agencies met together several times to establish a common comprehensive evaluation process determining a person's eligibility for the program and the length of time they are expected to require financial assistance. This includes assessing potential recipients for their risk of homelessness by considering HUD recommended risk factors, as well as the agencies' own expertise in the field. The end goal of HPRP is to assist people in becoming self-sufficient by the end of their term of assistance. While a client is receiving assistance, case management should include referral to other resources and employment searches to reduce the dependency on HPRP funds, thus enabling the program to help more people. Furthermore, placement on waiting lists for other subsidized or public housing options is crucial, in case a client is not earning enough money to pay his or her rent at the end of the HPRP assistance period. The term of assistance may continue for a total of 18 months (this considerable length of time is one of the unique factors of HPRP), but a re-evaluation of progress and need is required by the case manager every three months.

The biggest challenge presented by HPRP is the great need. Many people are having trouble gaining access to the HPRP funds because of staffing and administrative capacity. Phone lines to the agencies receive thousands of calls, and messages are returned as soon as possible. However, the assigned staffs at the agencies are only able to see a limited number of people per week for an initial assessment. And once a person is determined eligible, more time intensive case management is required. Various methods have been tried so far: adding additional staff, accepting phone calls and voicemail messages, holding walk up appointments, and staging intake at three Wake County Human Services locations. Soon, a new approach will be tested as several local faith based groups become contact and assessment locations for citizens.

Despite the challenges, the Homeless Prevention and Rapid Re-housing Program brings a fresh approach and new hope to people with crucial and immediate housing needs. The flexible term of assistance offers relief to many who are suffering from the current economic crisis, in addition to those who have experienced homelessness in the past. Both agencies speak well of HPRP and think it is a good model for a permanent program.

BENEFITS, from front

of a home to keep it affordable to future lower income buyers. *Shared appreciation* programs split the appreciation realized at resale between the seller and the program. The program's share of appreciation is then used to provide additional subsidy to another lower income family purchasing a home.

Balancing Preservation of Affordability and Subsidy with Asset-Building Opportunities

Shared equity homeownership and the long-term affordability it affords provide a benefit to both the homeowner and the public or nonprofit entity subsidizing shared equity homes. This is because, in addition to preserving affordability, shared equity homeownership strategies preserve the value of any subsidies invested in the home – a clear economic benefit to the entities financially supporting shared equity programs.

Despite limiting the full potential equity homeowners can gain compared to what they might gain on a market-rate home without resale restrictions, shared equity homeownership can still offer homeowners significant equity gains. This can be an effective asset-building strategy for lower income families who do not have access to traditional homeownership and may not otherwise have opportunities to build wealth. In addition, many shared equity homeowners move on to become market-rate homeowners upon selling their affordable home, demonstrating the potential for enabling upward residential mobility through shared equity programs.

The Champlain Housing Trust in the Burlington, Vermont area provides a prime example of both the asset building and residential mobility potential of shared equity homeownership. Between 1984 and 2008, almost 70 percent of the families who resold their homes originally purchased through the Trust went on to purchase market-rate homes. These homeowners also realized an average annualized return of over 25 percent on their initial investment.

Using Shared Equity Homeownership in Both Strong and Declining Housing Markets

Shared equity homeownership has principally served to address affordability issues in hot housing markets. Rapidly rising housing prices increase the costs of helping working families achieve homeownership, reducing the number of families that communities can serve. Shared equity homeownership is particularly important in preserving affordability and subsidy in markets in which home prices are rising faster than incomes, or are expected to do so. This includes neighborhoods near public transit and job centers, or other areas likely to experience gentrification pressure.

Yet shared equity homeownership also has applications in declining housing markets. Shared equity homeownership can help families avoid foreclosure and losses from declining home values by enabling affordable monthly payments and the use of safer, fixed-rate mortgages. Because these homeowners purchase at prices that are generally well below market prices, they are also better able to weather downturns in the market.

Shared equity homeownership can also be part of a foreclosure prevention or neighborhood stabilization strategy. Communities can offer families in danger of foreclosure substantial financial assistance in exchange for converting their home into a shared equity home or converting their mortgage into a shared appreciation loan. In neighborhoods inundated with foreclosed properties where it is difficult to find buyers at market prices, communities can use shared equity homeownership to make the homes affordable to

Housing and Community Development Quarterly is the newsletter of the HCD Division of the American Planning Association

CHAIR

Nelson Hernandez
Senior Associate Director,
Housing Mission and Goals
Office of Housing and Community Investment
Federal Housing Finance Agency
1625 Eye Street, NW
Washington, DC 20006
(202) 408-2983
nelson.hernandez@fhfa.gov

VICE-CHAIR

Ryan Sherriff
Research Associate
Center for Housing Policy
1801 K Street, NW, Suite M-100
Washington, DC 20006
(202) 466-2121 ext. 241
rsherriff@nhc.org

SECRETARY-TREASURER

Annemarie Maiorano
Housing Division Director
Wake County Housing and Community Revitalization
Raleigh, NC
(919) 856-5268
Amaiorano@co.wake.nc.us

NEWSLETTER DESIGN

Mollie S. Doll
Treefrog Resources Communications
Raleigh, NC
mdoll@treefrogresources.com

Concepts for Autumn newsletter articles should be submitted to Ryan Sherriff by Sept. 15, 2010. Concepts should be limited to 50 words or less.

working families while preserving the buying power of those subsidies once home prices stabilize and increase.

Affordability and Stability for Lower Income Families

In essence, shared equity homeownership provides a housing option for lower income families that falls between rental and traditional homeownership. A shared equity homeowner enjoys most of the benefits of traditional homeownership along with a level of insulation against home price declines that can provide greater stability and sustainability. At the same time, this affordable housing mechanism provides an effective way to ensure affordability and preservation of public subsidy over the long term.

Ryan Sherriff is a research associate at the Center for Housing Policy in Washington, DC. He is also the Vice-Chair of HCD.