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A bridge linking housing research and practice

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New Housing on the Horizon

Many seniors and people with disabilities will be better able to find affordable housing, thanks to over \$650 million in recently announced HUD grants. The funding, available through HUD's Section 202 and Section 811 programs, offers interest-free capital advances to nonprofit organizations that will produce accessible housing, subsidize rents, and provide supportive services, which, in turn, will enable qualifying participants to live independently.

Of the \$650 million awarded, \$525.9 million in Section 202 funds will assist very-low-income seniors who are at least 62 years old. In addition to funding the construction, acquisition, and rehabilitation of multifamily developments, the program subsidizes the rents of senior citizens in a way that limits residents' housing costs to 30 percent of their incomes. The remaining \$124.5 million will assist very-low-income people with disabilities who participate in



HUD's Section 811 program subsidizes rents for very-low-income adults with disabilities and limits housing costs to 30 percent of their income.

HUD's Section 811 program. The grant funds will be invested primarily in smaller, newly constructed residences, typically group homes or condominium units. The Section 811 program also subsidizes rents by the amount that exceeds 30 percent of participants' incomes. To qualify, households must have at least one very-low-income adult with a physical or developmental disability or a chronic mental illness.

Here are just a few examples of how the nearly 200 nonprofit grantees around the country plan to use their funds.

Section 202 Projects Under Development
A Connecticut chapter of the American Hellenic Educational Progressive Association's National

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New Housing on the Horizon *continued from page 1*

Housing Corporation (ANHC) is using its capital advance of \$7.9 million to construct and subsidize 52 one-bedroom, one-bath apartments for the elderly. The complex will provide a community room with a kitchen, as well as dedicated spaces for arts and crafts, a library, exercise room, and laundry facilities. This ANHC chapter will also use its funding to provide \$742,800 in rental subsidies over a 3-year period.

Further south, the Georgia Rehabilitation Institute of Harlem, Georgia will use its \$1.6 million to develop a 16-unit complex of Section 202 housing. The resulting 15 one-bedroom apartments will be universally accessible and barrier-free, regardless of mobility limitations. A two-bedroom apartment is reserved for an onsite manager. Adding to the accessibility features of the complex, the development will be in close proximity to shopping and health facilities.

Out west, the St. Vincent de Paul Salvage Bureau in Coeur d'Alene, Idaho will use its multimillion-dollar Section 202 capital advance to build 36 one-bedroom units on land it leases from the city for \$1 per year. Some of the capital advance funds (\$369,000) are reserved for 3-year rental subsidies. The city will devote Community Development Block Grant program funds to this project in order to complete necessary street and infrastructure improvements.

Section 811 Housing

In the Northwest, ShelterCare of Springfield, Oregon was awarded nearly \$2 million to construct Section 811 housing for adults with chronic mental illnesses. As the first phase of a mixed-use urban development, ShelterCare is building 16 one-bedroom apartments near public transit, a library, city services, and shopping. Residents of these apartments will receive supportive services and rent subsidies from ShelterCare. When complete, the mixed-use development will include additional housing, a church, community facilities, and retail stores.

A capital grant of \$840,800 was awarded to Mosaic to construct two group homes on a single site in Memphis, Tennessee. Both group residences will feature four units—each with either one or two bedrooms—designed to encourage social interaction while respecting privacy. Mosaic expects 12 residents



Subsidized rents and supportive services enable seniors to age in place and live independently.

with disabilities to occupy the eight rent-assisted units. Laundry facilities, an interior common area, and a multipurpose activity room are included. Mosaic will offer programs and activities that meet residents' social, recreational, health, and educational needs.

Our brief tour of new, HUD-financed affordable development concludes close to our nation's midsection, where two agencies in Ohio—Filling Memorial Home of Mercy and Luther Home of Mercy—were each awarded \$1.4 million to build a total of 24 units in clusters of three on scattered sites. In addition to including energy-efficient features, the ranch-style group homes will be architecturally similar to nearby housing, thus blending neatly into their surrounding neighborhoods. Each home will feature four private bedrooms; two fully handicapped accessible bathrooms; living, dining, and laundry rooms; and storage areas with a two-car garage. Both nonprofits intend to offer a variety of supportive services in addition to rental subsidies.

Additional information on HUD's Section 202 and 811 programs can be found at www.hud.gov/offices/hsg/mfh/progdsc/eld202.cfm and www.hud.gov/offices/hsg/mfh/progdsc/disab811.cfm, respectively. A complete list of grant recipients and their plans is available at www.hud.gov/content/releases/pr09-007.pdf. 

A decade ago, HUD's Office of Policy Development and Research published *Creating Defensible Space* by architect Oscar Newman. This work reviews the defensible space concept and its application in the redesign of residential neighborhoods and housing complexes to foster greater safety and social capital. Newman's 30 years of research and experiences led to the conclusion that when responsibility for shared common areas is unclear, no one ensures that these spaces are decent, safe, and reflective of both shared values and pride of place. Even more compelling is the idea that the building type and physical layout of living spaces appear to be key determinants of a *sense of ownership*, regardless of whether residents own or rent. Too often, Newman found, residential designs prove detrimental to the kind of community that people really want.

Spaces in residential communities that are commonly shared to varying degrees include entrances to buildings, stairways, landings, hallways, elevators, front yards, sidewalks, surrounding grounds, parking lots, and streets. There is little doubt about who is responsible for and who controls the interior, the surrounding grounds, and the back yard of a single-family home. But the lines of responsibility and control are often less clear for families that live in walkup or garden apartments. Circulation areas inside a walkup that are shared—such as entryways, stairways, or land— are usually accessible to only a small number of neighbors who know and recognize one another, and might reach informal agreement about how to share their common area. However, walkups may be built at a density of 30–40 units per acre, and surrounding grounds are often adjacent to a public street and/

or parking area and may be openly accessible to the public. Nonresidents have no interest in maintaining these common areas, nor are they aware of their contribution to the neighborhood's overall quality of life as they cut through the grounds, litter, fail to clean up after their pets, raise noise levels, and/or loiter.

A sense of ownership regarding common areas is particularly notable by its absence in high rises, where there are large numbers of units. Newman used the example of a 15-story building inhabited by 195 families, in which all common areas were disassociated from any individual unit. The corridors on each floor were shared by 13 families and accessed from two sets of stairs and two public elevators. The exterior grounds, shared by all 195 families, were also accessible to outsiders.

Ownership control over areas around homes and surrounding public streets varies with the site plan. In a typical row-house development, for example, with the exception of streets and sidewalks, grounds belong to individual families. In some cases, the close proximity of each unit and its entry to the street incorporates the sidewalk into the sphere of influence of residents, and the family car parked at the end of the sidewalk reinforces this perception. Thus, some degree of ownership of this semipublic area is evident, and residents are often concerned about ensuring its safety. In contrast, high rise inhabitants feel little connection to the surrounding areas. Where no building entrances face the streets, the streets seem distant. Management maintains the grounds. Hired personnel provide security services. Sidewalks and streets are maintained by the city and monitored by police.

In illuminating these contrasts in building types and layouts, Newman explained that a "family's claim to a territory diminishes proportionally as the number of families who share that claim increases. The larger the number of those who share a territory, the less each individual feels rights to it" (p.17). When numerous people share an area and nonresidents have easy access, it's difficult to identify with the right to control how communal space is used. Newman further concluded: "The more complex and anonymous the housing environment, the more difficult it is for a code of behavior following societal norms to become established among residents" (p.26).

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Credit: FEMA/Nicolas Britto

Facilitating a sense of ownership increases the probability that people will want to protect and take care of their common space.

Limited-Equity Cooperative Creates Affordable Housing in DC

Determined residents, complex financing, and a unique ownership model have created new affordable housing for 34 low- and very-low-income families in Washington, DC.

Located in the Columbia Heights neighborhood of Northwest Washington, Meridian Manor's metamorphosis over a span of 11 years involved residents, a law clinic, two nonprofits, and placement on the National Register of Historic Places.

The story of Meridian Manor began in 1991, when the tenants sued the building's owner over numerous building code violations. Two years later, the tenants won a \$1 million judgment, and in 1994, the residents formed the Archbishop Rivera y Damas Cooperative. With the assistance of the Harrison Institute, a law clinic associated with Georgetown University, the Cooperative negotiated with the building owner and received title to the building in lieu of a monetary award. The Cooperative raised money through bake sales, dinners, and other activities to pay for building repairs. A 1996 fire caused the building to be condemned and forced the tenants to find new homes. Although the tenants were dispersed throughout the city, they continued to work as a group to raise funds for Meridian Manor's renovation.

In 2000, the Cooperative began working with Mi Casa, a District of Columbia nonprofit that offers development consulting services to commercial and tenant organizations, and provides affordable homeownership opportunities to low- and moderate-income people. The Cooperative and Mi Casa then partnered with the National Housing Trust-Enterprise Preservation Corporation (NHT-Enterprise), a joint effort of the National Housing Trust and Enterprise Community Partners, Inc. NHT-Enterprise works with local partners and investors to raise the capital necessary to buy and renovate affordable apartments that are deteriorating or at risk of being converted to market-rate housing.

Financing

NHT-Enterprise took on the complex task of developing a financing package to fund the rehabilitation of Meridian Manor. "We structured the financing from a variety of funding sources," said Scott Kline, vice president of NHT-Enterprise. "A key part of the financing was the allocation of project-based Section 8 funds that allowed the low-income residents to



Meridian Manor's 2002 grand opening marked the end of an 11-year process aimed at renovating the historic building and providing affordable housing.

move back into Meridian Manor once the renovation was complete." The funds were part of the HUD Multicultural and Tenant Empowerment program developed in the mid-1990s and handled through the District of Columbia Housing Authority. The 15-year Section 8 contract brought rental income up to a level that would support bond repayment.

The District of Columbia Housing Finance Agency issued \$2.4 million in private activity tax-exempt bonds, which allowed the Meridian Manor project to qualify for \$1.15 million in 4-percent low-income housing tax credits. Historic tax credits provided an additional \$741,000 in funding. The Federal Home Loan Bank's Affordable Housing Program provided a forgivable loan of \$289,000, while the District of Columbia Department of Housing and Community Development provided gap financing of \$400,000. All pieces of the financing puzzle were in place by June 2001, and rehabilitation began.

Rehabilitation

The building was in such poor condition that it was gutted down to the studs during the rehab process. The interior space was then reconfigured to include 34 units (6 one-bedroom units, 16 two-bedroom units, and 12 three-bedroom units), all with new kitchens and baths. New building systems and a new elevator were installed.

Because of Meridian Manor's historic status, the lobby and common area hallways were restored to meet historic guidelines. Floors were sanded and re-stained,

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Residential Communities by Design *continued from page 3*

Creating Defensible Space

Facilitating a sense of "ownership"—or at least one of shared responsibility—among community residents through the medium of quality design can increase the probability that people will want and be able to protect their living space. The Five Oaks community in Dayton, Ohio is one case in which Newman helped put defensible space principles to work. This 70-year-old neighborhood, located between downtown and the suburbs, consisted of about 2,000 households in one- and two-family homes and some small apartment buildings. By the early 1990s, this urban community was experiencing heavy through-traffic, rising crime, an influx of drug dealing and prostitution, conversions of single-family homes to multifamily use, an exodus of middle-class property owners replaced by low-income minority renters, and general disinvestment. Thirty-five percent of its traffic volume was cutting through the neighborhood en route to destinations elsewhere, making it unsuitable for safe, quiet residential use.

Newman proposed the restructuring of streets to create mini-neighborhoods as a way of altering the look and function of the community, eliminating through-traffic, and changing the character of the unsafe streets to places where children could play and

neighbors could interact. Five Oaks residents decided how to lay out the mini-neighborhoods, guided by the principles of defensible space. Thirty-five streets and 25 alleys were closed, and the existing residences were divided into 10 mini-neighborhoods. Two mini-neighborhoods housed the major schools and a hospital complex, while the remaining eight were primarily residential. Each mini-neighborhood contained between three and six streets with cul-de-sacs, and was defined by similarity in the size of the houses and lots, the materials used in construction, and whether they contained single- or multifamily buildings. Internal two-way arterial streets connected the mini-neighborhoods, but each had only one entrance marked by brick pillars bearing the Five Oaks logo, along with its own name.

This restructuring of the community visibly gave residents greater control and ownership of their environment. Their design approach was further reinforced by police actions to flush out the drug dealing and prostitution, stepped up property code enforcement, and encouragement of first-time homeownership. Within one year of the project's completion, cut-through traffic was reduced by 67 percent, overall traffic volume by 35 percent, and traffic accidents by 40

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Limited-Equity Cooperative Creates Affordable Housing in DC *continued from page 4*

and original moldings were retained. Installation of energy-efficient windows throughout Meridian Manor had to be approved by historic preservationists. Several windows at the lobby level were restored, rather than being replaced.

The rehabilitation, which was completed in December 2002, also incorporates onsite laundry facilities and a community room where tenants can hold meetings and parties. A Fannie Mae Foundation grant provided funding for the conversion of two garages behind Meridian Manor into a computer center for residents' use.

A Different Ownership Model

Meridian Manor models a unique form of homeownership: a limited-equity cooperative. Limited partners currently own the building and lease it back to the Cooperative, which in turn leases apartments to Cooperative members and oversees the building's daily

management and operations. Cooperative members interview all potential tenants, who must be low- or very-low-income individuals, prior to occupancy. NHT-Enterprise is the managing general partner and acts as the guarantor, with the Cooperative as a minority partner. Kline notes that the limited-equity structure means that residents do not accrue home equity.

At the end of the 15-year tax credit compliance period, the Cooperative has first option to purchase the property from the owners. "Prior to the end of that period," said Kline, "the cooperative needs to build its capacity and demonstrate its ability to manage the building, since the cooperative will be going out to a bank to acquire a mortgage."

More information about NHT-Enterprise and the Meridian Manor project can be found on its website at www.nhtinc.org. For more information about Mi Casa, visit its website at www.miCasa-inc.org. **HLI**

p HUD Pursues Energy Efficiency Nationwide

As the nation's households open the envelope on yet another round of rising energy costs, HUD is committed to promoting greater efficiency on a number of fronts. To fulfill our Energy Action Plan, which was first announced in 2006, HUD is pursuing numerous initiatives for the 5 million units of public and assisted housing that we support, as well as for housing financed through our grant programs. In 2007, these initiatives saved an estimated \$33 million in energy costs.

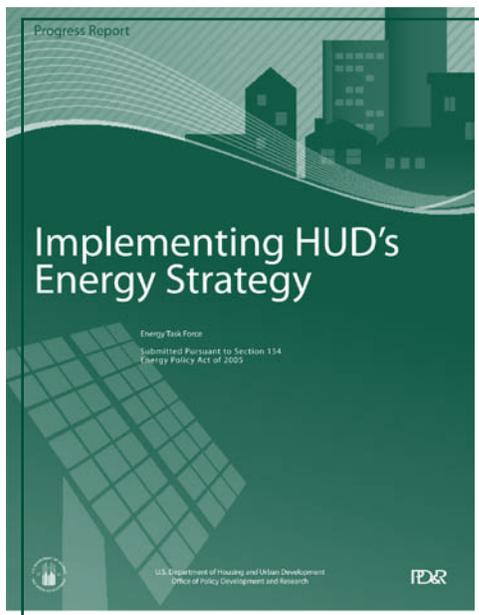
The main goals of our Energy Action Plan are to equip HUD's consumers, partners, and other housing providers with the support and assistance necessary to achieve substantial gains in energy efficiency. Through these efforts, HUD strives to improve the development and design of new housing, as well as to raise the bar on management of existing stock. A new publication, *Progress Report: Implementing HUD's Energy Strategy*, details how these activities are reducing energy use nationwide.

The plan emphasizes incentives, performance measures, ENERGY STAR®-rated products, training and education, and residential energy partnerships with local entities. HUD rewards energy-efficiency strategies with additional points in our annual grant award

competitions, and we've incorporated energy-related performance goals in our operational plan. Through a partnership with the Department of Energy (DOE) and the Environmental Protection Agency, HUD keeps its staff and stakeholders updated on the benefits of ENERGY STAR technology. As an outgrowth of this partnership, HUD's Region 9 office has developed an online bulk-purchasing tool for ENERGY STAR-rated products called Quantity Quotes, which has been used by 1,200 purchasers so far (including schools, apartment building managers, public housing authorities, government agencies, and manufacturers) to purchase 4.3 million compact fluorescent lights (CFLs), 31,000 room air conditioners, 10,000 light fixtures, 10,000 refrigerators, 2,300 clothes washers, 80 dehumidifiers, and 2,500 dishwashers. During the annual 2007 ENERGY STAR *Change a Light, Change the World* campaign, which elicited pledges from consumers and property owners to replace incandescent light bulbs with energy-efficient CFLs, HUD collaborated with Pacific Gas and Electric in northern California to replace 21,000 light bulbs in 9,800 residential units, saving 11.7 million kilowatt-hours of electricity.

Efforts to increase the technical knowledge and capacity of property managers to adopt no- or low-cost energy management strategies include a successful training program, "Save Energy, Lower Costs, and Increase the Comfort and Quality of Affordable Housing," implemented by HUD's Office of Policy Development and Research. The workshops, led by a faculty of recognized experts in reducing costs through better design and building practices, have trained more than 2,500 people and are available online at www.hud.gov/webcasts/archives/envirhealth.cfm. Specialized workshops in energy performance contracting designed for public housing authorities are held around the country, as are more general-audience workshops designed for participants in public, Indian housing, and HOME programs.

HUD encourages energy efficiency in HOME- and CDBG-funded new construction and housing rehabilitation projects with a reporting system that tracks the extent to which their funds support energy-efficient construction. The ENERGY STAR housing standard was met by 17 percent of all new HOME-funded units by the end of 2007, and as of the third quarter of 2008, that total had risen to 20 percent above the 2007



This new publication details how HUD's Energy Action Plan is helping to reduce energy usage in public and assisted housing as well as housing funded by HUD's grant programs.

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percent. The overall crime rate dropped by 26 percent and housing values rose by 15 percent. Owners were applying for and receiving city loans to pay for housing improvements. For the first time in many years, families with children were moving into the neighborhood, contributing to a 55-percent increase in housing sales.

Today, one only has to go to the Five Oaks Neighborhood website (www.fiveoaksdayton.com) to see that residents have retained their hard-won ability to safeguard their residential space. The website also

features their monthly newsletter, provides information on how to join the Litter Patrol or work on the Safety & Security Committee, and allows visitors to follow their pursuit of historic status and to read about the Five Oaks 2009 Neighborhood Stabilization Plan.

Copies of Oscar Newman's *Creating Defensible Space* are available for a nominal fee from HUD USER's Webstore at www.huduser.org, or by calling HUD USER at 800.245.2691, option 1. The report is also online and can be downloaded for free at www.huduser.org/publications/pubasst/defensib.html. **HUD**

HUD Pursues Energy Efficiency Nationwide continued from page 6

level. During the same period, CDBG reported that 250 new homes were certified for ENERGY STAR construction, twice the total for 2007.

HUD also promotes the installation of combined heat and power (CHP) systems in existing multifamily buildings. CHP, also known as cogeneration, captures the waste heat produced by generating electricity for a building and uses it to heat and cool the property. With the help of Oak Ridge National Laboratories, HUD is completing feasibility studies in a sample of HUD-assisted multifamily buildings and developing software that will yield preliminary calculations of the potential return on investment for installing CHP systems.

Other efforts to promote energy efficiency in multifamily assisted units focus on weatherization. Many low- to moderate-income recipients of HUD assistance also qualify for DOE's Weatherization Assistance Program. Accordingly, HUD's energy plan includes collaboration with DOE to improve the energy efficiency of HUD properties. This approach is modeled on partnerships that successfully leveraged such funds for assisted properties in New York, where 22 HUD-assisted projects with 60 buildings and 3,474 units completed energy retrofits through the state's Assisted Multifamily Program. Around the country, weatherization partnerships with utility program providers and state agencies are being implemented, especially in states with utility-financed public benefit funds, such as California's Low-Income Energy Efficiency program and New York's Assisted Multifamily Program/Multifamily Performance Program.

The plan also addresses energy efficiency for HUD-code (manufactured) homes. During 2007, recommendations solicited from the public for increasing

energy efficiency in manufactured housing produced a number of thoughtful suggestions. The most significant and promising proposals sought to improve the current thermal envelope to insulation levels that match requirements of the International Energy Conservation Code; to adopt the American Society of Heating, Refrigerating, and Air-Conditioning Engineers 62.2 standard for ventilation; and to require all manufactured homes to be equipped with ENERGY STAR-rated appliances. These and other suggestions that would address energy loss in duct systems and allow the use of tankless or "instant on" water heaters in manufactured homes are currently under consideration. DOE is also consulting with HUD about developing energy-efficiency standards for manufactured homes that the Energy Independence and Security Act of 2007 requires to be in place by 2011.

Along with these specific energy-related efforts, HUD is pursuing a broad, environmentally responsible building agenda—including indoor air quality, siting and location, materials selection, and water conservation—to complement the growing number of national green housing initiatives. Moreover, HUD plans to retrofit its headquarters building in Washington, DC with a green roof, solar thermal and photovoltaic systems, high-performance windows, and other energy-efficient measures.

For details on all of these energy-efficiency initiatives, see *Progress Report: Implementing HUD's Energy Strategy*, which is available as a free download at www.huduser.org/publications/destech/energyefficiency_08.html and can be ordered in print for a nominal fee by calling HUD USER at 800.245.2691, option 1. **HUD**

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In the Next Issue of... ^{research} **works**

- Homeowners who replace windows (including storms), with energy-efficient windows in their residence during 2009–10 may be eligible for tax credits of 30 percent of the cost, up to \$1500. This makes a field evaluation sponsored by HUD's PATH program, along with the U.S. Department of Energy and industry partners, especially relevant. Researchers tested the performance of low-E storm windows on six homes in Cook County, Illinois over the period of one heating season. We'll review the technology, the research methodology, the extent of heating load reduction, and the projected payback timeframe.
- HUD and the U.S. Census Bureau released the results of the 2007 national American Housing Survey this past fall. The survey data represent the most current information about the U.S. housing supply. We'll look at this updated profile of American housing, noting the types, locations, and tenure of homes.
- In 1994, HUD awarded \$79 million to the city of Philadelphia for three neighborhoods designated as the Philadelphia Empowerment Zone. The federal funds were invested in these disadvantaged neighborhoods to bring about economic development, neighborhood change, and an improved quality of life. However, this funding was only set up to last for 10 years. In order to continue positive changes, each neighborhood needed to find an alternate, long-term source of funding. The result is the Neighborhood Funding Stream. In this article, we'll explain what the Neighborhood Funding Stream is and how it works, and we'll examine some early results.
- The Neighborhood Stabilization Program, created under the Housing and Economic Recovery Act of 2008, provides nearly \$4 billion to every state and some local communities with high foreclosure rates to acquire property, demolish, or rehabilitate abandoned properties, or offer downpayment and closing cost assistance to low- and moderate-income homebuyers. Grantees can also create land banks to assemble, manage, and dispose of vacant land to stabilize neighborhoods and encourage property redevelopment. We will examine land bank programs in several American cities, including Cleveland, Ohio; Genesee County (Flint), Michigan; and Atlanta, Georgia.

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