



research works

A bridge linking housing research and practice

volume 5, number 6

Black Colleges and Universities Lend a Helping Hand

Representatives from historically black colleges and universities (HBCUs) recently gathered in Washington, DC to share accomplishments made possible by HUD's HBCU Community Development Grant program. Each year, HUD invites HBCUs to compete for funds earmarked for revitalizing America's neighborhoods. The rationale for the grant program is twofold. First, colleges and universities are repositories of knowledge, research, and skills that, when applied to community affairs, enable local residents and stakeholders to develop and implement strategies for healthy, viable neighborhoods. Second, stronger campus-community relations improve the quality of higher education, better preparing students to develop their own communities in the future. Thus, HBCUs enrich their educational programs and strengthen their surrounding neighborhoods.



Merylin Jackson, executive director of the South Carolina State University-sponsored CDC, describes its threefold mission of teaching, research, and public service.

Success Stories

Successes showcased during the April 2008 roundtable discussion hosted by HUD's Office of University Partnerships reflected the extent of the grant program's success. Moderated by Lezli Baskerville, president and CEO of the National Association for Equal Opportunity in Higher Education, the roundtable revealed various ways that HBCUs tailor grant resources to help their local communities.

Benedict College

David Swinton, president of Benedict College in Columbia, South Carolina, described how he found a private campus in a neighborhood riddled with poverty, disrepair, and crime. Realizing that it was in Benedict's strategic interest to improve its setting, Swinton led efforts to channel economic resources

contents

- Learning To House the Homeless 3
- Researching HUD's Housing Programs 5
- What We Know About LIHTCs 6

Black Colleges and Universities Lend a Helping Hand *continued from page 1*

into the area. In 1995, the college established the Benedict-Allen Community Development Corporation (CDC) to revitalize its two surrounding communities, Waverly and Read Street. Using \$3.74 million in HBCU funds received from HUD over the past 8 years, the CDC has leveraged an additional \$7.53 million for a total community investment of \$11.27 million. The joint achievements of the college and its neighbors include a park, 21 new or renovated homes, the acquisition of 30 substandard or vacant houses and lots for redevelopment, housing and credit counseling plus financial literacy services for 2,100 clients, job training and placement services for more than 400 low-income individuals, a business incubator program, and a revolving loan fund for small and minority businesses.

Winston-Salem State University

In North Carolina, Winston-Salem State University used HBCU grant funds to establish a CDC that leads revitalization, housing, beautification, and preservation efforts in a neighborhood along the community's Martin Luther King, Jr. Drive corridor. Carol Davis, executive director of Simon-Green Atkins CDC, reported that their efforts have produced affordable housing opportunities for 18 families and an increase of more than \$1.5 million in the tax base. First-time homebuyers have received \$200,000 in downpayment and closing cost assistance. The new homes have sparked resident participation in neighborhood groups and an interest in planning future neighborhood development. The funds have also helped create a small business loan pool, allowing these employers to generate 65 additional jobs in the community.



Ndeye Jackson of PDE&R joins in the discussion of the panel presentation by HBCU grantees.

South Carolina State University

The CDC sponsored by South Carolina State University invites residents to identify critical needs along the northeastern corridor of Orangeburg. This input guides the CDC in its efforts to develop affordable, safe housing in a revitalized neighborhood. In addition to activities common to other HBCU grantees, South Carolina State's CDC offers homebuyer education workshops that give participants a rigorous 4-week course in purchasing a home. Local bankers, attorneys, real estate agents, and other housing professionals help teach this class and give technical assistance to the students, enabling them to understand credit, choose the right mortgage, learn borrowing and budgeting basics, recognize predatory lending, know what to do to prevent foreclosure, and access post-purchase counseling. "We're not giving a handout; we're giving a hand up, and that hand up is helping individuals become homeowners," says Merylin Jackson, executive director of the Northeastern Corridor of Orangeburg CDC.

Grants + Resources + Students = Community Renewal

Participants in the April roundtable also discussed resources other than money that help ensure the success of community revitalization projects. John Watson, interim president of LeMoyne-Owen College in Memphis, stressed the importance of equitable partnerships among government, education, business, and community groups that share resources, rewards, and risks. Representatives from Howard University have learned from experience that vision, development expertise, talent for acquiring and leveraging resources, and the ability to manage change are essential. In addition, Howard University and its community partners emphasize the importance of fostering long-term institutional commitment, consensus-building, political support, patience, and persistence in bringing community improvements to fruition.

At the same time that HBCUs are investing in the future of American communities, their students are also participating in neighborhood revitalization. Computer science students at Benedict College, for example, are digitizing the curriculum for a homebuyer education course, developing websites and webcasts for neighborhood associations, and helping small businesses use the Benedict-Allen CDC's revolving loan fund to develop web presence, business plans,

continued on page 7

Created in 1988, the Fannie Mae Foundation's Maxwell Awards recognize the outstanding work of nonprofit organizations that develop and maintain affordable housing in urban, metropolitan, and rural communities nationwide. The 2007 award winners were selected for their excellence in creating and managing supportive housing for homeless individuals and families. Four nonprofits each received the top prize of \$75,000: The Connection Fund in New Haven, Connecticut; the Downtown Emergency Service Center (DESC) in Seattle, Washington; La Casa Norte in Chicago, Illinois; and Umpqua Community Action Network in Roseburg, Oregon. An independent advisory committee chose these projects as the best examples of supportive housing for four homeless populations: veterans, individuals, youth, and families. The award winners are attacking homelessness with innovation, commitment, and persistence. Their challenges, successes, and strengths, from which other communities can learn a great deal, are highlighted below.

New Haven, Connecticut

The Connection Fund project winner, Legion Woods, offers 20 units of permanent supportive housing to the chronically homeless, giving priority to veterans. Of the 20 original residents, all but one remain in their apartments after a year and a half—a strong indicator of success. Legion Woods employs the Housing First model, with no requirement that residents use supportive services. According to Jim O'Rourke, development director of the Connection Fund, the supportive services accessible through the Department of Veterans Affairs (for 13 participating veterans) and



Photo credit: Faye Pekas

Grandview Homes, in Roseburg, Oregon, provides housing and supportive services to formerly homeless families that have an adult member with a psychiatric disorder.

Columbus House play an important role in sustaining residents in their homes. The nonprofit sees its relationship with these two agencies as illustrative of one of the program's strengths—it has backing and assistance from numerous organizations and government agencies. Such collaboration was crucial to the development of this project, which required several years of planning and persistence to acquire the site and coordinate resources. Collaboration was also valuable in addressing public resistance to the project, which stemmed from the stigma attached to homelessness and concerns about the planned concentration of human services.

The Connection Fund team puts significant effort into neighborhood outreach, which is also touted as one of the program's strengths. The housing stands on a formerly blighted, abandoned property that now adds value to the neighborhood and to the city's tax roll. Residents are encouraged to engage in neighborhood activities like cookouts, gardening, and the local Block Watch program.

Seattle, Washington

In 2005, DESC opened the doors of a new facility, 1811 Eastlake, to 75 homeless men and women described as chronic public inebriates. Arguably the most challenging of groups, this fragile population puts significant stress on publicly funded services provided by police, jails, courts, alcohol detox centers, 911 systems, ambulance transports, and hospital emergency rooms. The residents of 1811 Eastlake were invited to move into the facility because they were identified as those most frequently requiring these services. Optional supportive services available to residents include 24-hour staffing, state licensed mental health care and chemical dependency treatment, a full-time registered nurse, and a veterans' support group.

The 1811 Eastlake project has attracted considerable media attention, with one of the most common questions being whether this model can actually work with chronic alcoholics. Within the first year, as its staff came to know the residents, DESC could see that its model was working. Because of the need to replicate success in resolving homelessness, however, DESC knew that other communities would want to know whether their model would reduce chronic alcoholics' use of expensive public services. Although researchers

continued on page 4

Learning To House the Homeless *continued from page 3*

at the University of Washington are conducting a 3-year program evaluation, DESC can already point to a \$2.5 million decline in crisis and emergency healthcare costs to the community after the first year of operation. Medical expenses for the residents were down 41 percent, county jail stays dropped by 45 percent, stays in detox centers fell by 87 percent, and the residents no longer required emergency shelter stays. Residents of 1811 Eastlake have also voluntarily cut their alcohol consumption in half.

Chicago, Illinois

La Casa Norte's Solid Ground Supportive Housing Program, located in the Humboldt Park neighborhood, provides housing and onsite services to homeless male youth aged 16–21. Supportive services are designed to help residents become independent by providing educational, employment, and life skills development. This award winner serves mostly African American and Latino youth, and offers a safe and healthy environment in which residents are able to envision alternatives to violence, maladjustment, and mental health difficulties.

As do the other winners, Solid Ground emphasizes its immersion in the fabric of the community and the collaborative efforts of numerous partners in developing the facility and program. Sol Flores, the executive director of La Casa Norte, reports that development took more than 2½ years and humorously refers to the challenge of achieving layered or "lasagna funding," in which all of the timelines, funding cycles, matching requirements, and goals of various resources had to be coordinated and in place to meet multiple deadlines. Partners included HUD, the city of Chicago's Department of Housing, the Illinois Department of Commerce and Economic Opportunity, the Federal Home Loan Bank, the Illinois Housing Development Authority, private foundations and individuals, and the Humboldt Park community.

Roseburg, Oregon

The Umpqua Community Action Network (UCAN) developed Grandview Homes, located in a rural area of Oregon where services for the homeless are scarce. The project has 10 units for homeless families that have an adult member with a psychiatric disability. Residents



Photo credit: Courtesy of La Casa Norte

La Casa Norte's Solid Ground Supportive Housing Program provides housing and supportive services to homeless males between the ages of 16 and 21.

have access to both on- and offsite supportive services. The facility has been open for over two years, and only two families have left—one was evicted and one transitioned to market-rate housing. This retention rate is one of the program's measures of success, because stabilizing these special-need homeless families is the project's ultimate intent.

UCAN credits its success to making the needs of its residents the focal point for facility and program design. For example, the children's playground is in direct sight of all units. Windows in the development do not face each other, ensuring residents' privacy. A quiet room gives residents a safe place to relax and relieve stress, thus reducing the need for emergency interventions. Full fencing and well-lighted grounds address residents' security concerns. A meeting room that serves as the site of many supportive services features an adjacent tot lot. The colors are bright and uplifting, and the units feature built-ins, requiring less home furnishings. Grandview is also an energy-efficient and comfortable green development. Rents are based on 30 percent of resident household incomes, and all utilities are paid by the property.

Each Maxwell Award winner uses the Housing First model to serve a unique segment of the homeless population in creative ways that will be informative to groups in other localities working to eliminate homelessness. Further details and contact information are available at www.endlongtermhomelessness.org/2007_maxwell_awards/2007_maxwell_awards_finalists.aspx. **HJ**

Cityscape recently featured a symposium of research on HUD's housing programs and the 4.3 million households that participate in them. Just under 1 million households live in traditional public housing, managed by some 3,200 local public housing agencies (PHAs); 1.4 million are in HUD-subsidized, privately owned multifamily projects; and 1.9 million households take part in the Housing Choice Voucher Program (HCVP – formerly known as tenant-based Section 8). This array of programs is fostered by policies introduced in recent decades and is intended to: (1) bring more flexibility, choice, and mobility to housing assistance recipients, making it possible for them to respond to a wider range of employment and other opportunities; and (2) enable more of these households to live in areas with less poverty concentration and racial segregation.

The symposium papers represent a sampling of research questions, theoretical tools, and methodologies that help us better understand how housing assistance programs perform. Perhaps more importantly, the results of this research inform public discussion about housing policy. Several papers respond to the larger question of what shapes resident decisions surrounding housing choice vouchers; the abstracts below reflect the type of research stimulated by these concerns.

Portability Moves in the Housing Choice Voucher Program (HCVP), 1998–2005

Portability in the HCVP enables a household to use a voucher issued in one jurisdiction when moving to another jurisdiction administered by a different PHA. This study of portability moves made from 1998 to 2005 finds that, of the 3.4 million households receiving housing vouchers, 8.9 percent made a portability move. Three-fifths of the moves were made to lower cost jurisdictions, compared with the originating jurisdictions. The data also show reductions in census tract poverty rates and other neighborhood indicators for households that completed portability moves.

The Role of Social Networks in Making Housing Choices

This article explores the experiences of participants in the Gautreaux Two housing mobility program, implemented in 2002. The program gave low-income residents of Chicago public housing a special voucher enabling them to move to more advantaged



HCVP enables recipients to move closer to employment and to areas with less concentrated poverty.

neighborhoods. Comparing secondary movers with those who stayed at their Gautreaux placement addresses, researchers found that some residents moved or stayed because of social network factors, such as feelings of social isolation in the placement neighborhood, distance from kin, and transportation difficulties. Strong social networks explained why some families remained in their Gautreaux neighborhoods or moved on to other neighborhoods. The analysis explores policy implications for the success of mobility programs, including the need for continued assistance to build and maintain strong social networks beyond the initial placement.

Measuring the Deconcentration of Housing Choice Voucher Program Recipients in Eight U.S. Metropolitan Areas Using Hot Spot Analysis

This article analyzes the clustering of HCVP recipients. Hot spot (density) analysis conducted in eight metropolitan areas (New York, Baltimore, Chicago, Cincinnati, Miami, Houston, Los Angeles, and Phoenix) indicated that clustering of HCVP households varies by metropolitan area. Although HCVPs are becoming less densely concentrated in Chicago and Phoenix, the opposite is true in other metropolitan areas, notably in New York, Cincinnati, and Baltimore. The authors conclude that HCVP concentration is likely to continue as long as affordable rental housing is confined largely to central cities and older inner suburbs.

Household Life Cycle and Length of Stay in Housing Assistance Programs

This study explores factors associated with a household's length of stay in the HCVP. It focuses on how the presence of children of varying ages affects

continued on page 7

r What We Know About LIHTCs

research news

HUD's Office of Policy Development and Research (PD&R) has released an update of the Low-Income Housing Tax Credit (LIHTC) Database to include LIHTC-financed housing projects placed in service through 2005. This database is the only comprehensive source of information on the federal government's largest subsidy program for the construction and rehabilitation of low-income rental housing. Although HUD does not administer the program, its importance as a funding source for low-income housing has led PD&R to collect and regularly update information about LIHTC projects.

The database at <http://lihtc.huduser.org> includes the project address, number of units and low-income units, number of bedrooms, year the tax credit was allocated, year the project was placed in service, whether the project was new construction or a rehabilitation, type of tax credit provided, and other sources of project financing. The information is geocoded, enabling researchers to look at both the geographical distribution and neighborhood characteristics of LIHTC projects.

About LIHTCs

The Tax Reform Act of 1986 created the LIHTC program to stimulate the production of rental housing targeted to lower income households. Fifty-eight state and local agencies have authority to issue federal tax credits for the acquisition, rehabilitation, or construction of affordable rental housing. The credits allow property owners to reduce federal income taxes and are generally taken by outside investors who contribute initial development funds for a project. To qualify for credits, a housing project must have a specific proportion of its units set aside for lower income



LIHTCs stimulate development of affordable rental housing for lower income households in the United States.



Nearly two-thirds of the affordable housing produced by LIHTCs is new construction in metropolitan areas.

households, with unit rents limited to a maximum of 30 percent of the eligible income (50 or 60 percent of area median income).

The amount of tax credits provided for a project is a function of the development cost (excluding land), the proportion of affordable units set aside, and the credit rate (which varies based on the development method and whether other federal subsidies are used). Credits are designed to provide benefits with a present value equal to either 30 or 70 percent of a property's qualifying basis. The 30-percent tax credit is for acquisition or for federally financed rehabilitation and new construction. The 70-percent tax credit is for nonfederally financed rehabilitation or construction.

In 1989, as part of the Omnibus Reconciliation Act, Congress added provisions to the LIHTC program to encourage production of affordable housing units in hard-to-serve areas. Specifically, the act permits projects located in Difficult Development Areas (DDAs) or Qualified Census Tracts (QCTs) to claim 30 percent more in tax credits than identical projects outside of these areas. Designated by HUD, DDAs are metropolitan or nonmetropolitan areas in which construction, land, and utility costs are high relative to incomes; QCTs are census tracts in which at least half of the households have incomes that are less than 60 percent of the area median income *or* have a poverty rate of at least 25 percent.

LIHTCs at Work, 1995–2005

PD&R's LIHTC Database documents 27,410 projects and 1.53 million units placed in service between 1987 and 2005. The best data coverage available is for the period 1995–2005, when all 58 tax credit-allocating agencies provided the most complete data.

continued on page 7

Black Colleges and Universities Lend a Helping Hand continued from page 2

and management training. LeMoyne-Owen College students intern with the city of Memphis and with Shelby County, Tennessee; others gain experience by working with the LeMoyne-Owen CDC in housing, after school, and research programs. Howard University gives students experience in architectural design, historic preservation, cultural heritage research, and social service case management. Other

HBCUs have trained student interns in geographic information systems technology and taught 10-year-olds in the neighborhood to design their own web pages. Thus, human capital in the form of skills, leadership, and commitment is developed among HBCU students and faculty, while tangible improvements to communities are being achieved. **HLI**

Researching HUD's Housing Programs continued from page 5

longevity and the degree to which older children, as a potential source of childcare, may mitigate a longer duration of housing assistance. After controlling for an array of household and location characteristics, the main finding was that the presence of an infant or toddler increased a household's length of stay. The presence of other children in the same household may attenuate or magnify this effect, depending on the presence of teenagers, especially males.

Are Census Variables Highly Correlated with Housing Choice Voucher Holders' Perception of the Quality of their Neighborhoods?

This research analyzed voucher holders' ratings of their neighborhoods on HUD's HCVP Customer Satisfaction

Survey. Researchers found that voucher holders' neighborhood ratings were consistent with their answers to more specific survey questions about attributes of their neighborhoods, such as crime problems and physical disarray, but they were only weakly correlated with census-based measures of neighborhood quality. In addition, combining multiple census variables into a neighborhood quality indicator only marginally increased the explanatory power.

The full text of these and other symposium articles in *Cityscape*, vol. 10, no. 1 can be read and downloaded at www.huduser.org/periodicals/cityscape.html or ordered in print by calling 800.245.2691. **HLI**

What We Know About LIHTCs continued from page 6

Almost 1,400 LIHTC projects containing 100,000 housing units entered service annually during this period. Of these projects:

- The average size was 73 units;
- Most (83 percent) were composed almost entirely of low-income units;
- Nearly two-thirds were new construction, with the remaining third being rehabilitated existing structures;
- 29 percent were sponsored by nonprofit organizations;
- Less than two-thirds (63 percent) were financed with 70-percent credits and nearly 29 percent used 30-percent credits; and

- 21 percent were located in DDAs and 29 percent in QCTs.

These projects were disproportionately located in metropolitan areas and nonmetropolitan counties where development costs are low relative to incomes. Projects located in DDAs and QCTs were more likely to be rehabilitated projects and to have nonprofit sponsors, compared with projects in nondesignated areas.

These statistics and others are derived from the report *HUD National Low-Income Housing Tax Credit (LIHTC) Database: Projects Placed in Service Through 2005*, available for download at www.huduser.org/Datasets/lihtc/tables9505.pdf. **HLI**

U.S. Department of Housing and Urban Development

HUD USER

P.O. Box 23268

Washington, DC 20026—3268

PRESORTED
FIRST-CLASS MAIL
POSTAGE & FEES PAID
HUD
PERMIT NO. G—795

Official Business

Penalty for Private Use \$300

Return Service Requested

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

- A compendium of the latest research on homelessness was recently released by HUD and the U.S. Department of Health and Human Services, who cosponsored national symposiums on the subject in 1998 and, again, in 2007. The papers presented in the second symposium were representative of the research conducted during the previous decade, allowing scholars and practitioners to examine emerging trends in understanding and combating homelessness. *RW* will examine the findings presented at this conference.
- One of HUD's directives from Congress is to assist communities in implementing local Homeless Management Information Systems (HMIS) and client-level reporting procedures. The Department also has a responsibility to collect and analyze HMIS data from a representative sample of communities so as to gain a better understanding of homelessness from a national perspective. *The Second Annual Homeless Assessment Report to Congress* provides an update on the number, characteristics, shelter sources, and patterns of shelter use, as well as the nation's capacity to house homeless persons. We'll review the picture of homelessness that is developing based on this important research.
- HUD marked the 40th anniversary of the Fair Housing Act with the release of *The State of Fair Housing* report. *RW* will review this progress report and recap the findings of HUD's latest research on the nature and extent of housing discrimination in the U.S. We'll examine the bases of complaints of unfair treatment and look at the ways in which housing discrimination most often occurs, including examples from the report.
- An affordable house in the suburbs may actually be less affordable when transportation costs are factored in, as rising gas prices consume an ever greater percentage of household income. *RW* will visit a new interactive web tool developed by the Center for Neighborhood Technology and the Brookings Institution Urban Markets Initiative that measures the true affordability of housing by including transportation costs. The tool allows users to view a variety of neighborhood characteristics, including housing, housing plus transportation, number of automobiles per household, transit ridership, transit connectivity, and travel time to work.

www.huduser.org • 800.245.2691



U.S. Department of Housing
and Urban Development
Office of Policy Development
and Research

