



A bridge linking housing research and practice

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Regional Cooperation Reduces Homelessness in Virginia

Rising housing costs, coupled with the difficulty of obtaining subsidized or affordable housing, has increased the risk of homelessness among low-wage workers in the Hampton Roads area of Virginia. In response, four jurisdictions in Hampton Roads—Norfolk, Virginia Beach, Portsmouth, and Chesapeake—are using federal, state, and local funds to develop the nation's first regional housing for previously homeless individuals.

HUD's January 2005 Point-in-Time Homelessness Survey found more than 1,800 homeless individuals in the Hampton Roads area, with almost one quarter (22%) considered chronically homeless (i.e., homeless for the previous 12 months, or four or more times in the previous 3 years), significantly higher than the national rate of 10 percent. With approximately 1,350 shelter beds available year-round in the region, Norfolk, Virginia Beach, and Portsmouth



Gosnold Apartments provide affordable housing for 60 formerly homeless individuals from Norfolk, Virginia Beach, and Portsmouth. The former bottling plant is the nation's first regional housing project.

immediately began working on a regional, cost-effective solution to the area's homelessness problem. The Southside Mayors and Chairs Regional Taskforce report, *Homelessness in Southside Hampton Roads* (www.norfolk.gov/press/homeless05.pdf), estimated the total cost of services for the chronically homeless in Hampton Roads at up to \$32 million annually for expensive community services that include emergency shelters, hospitals, emergency rooms, and jails.

Norfolk, Virginia Beach, and Portsmouth evaluated a number of options and then invited the not-for-profit organization Virginia Supportive Housing (VSH) to help develop affordable studio apartments for the area's homeless single adults. VSH had previously developed efficiency apartments for homeless adults and provided supportive housing with services—including health, education, and job training and placement—that move homeless adults toward self-sufficiency and prevent a return to homelessness.

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The three cities pooled their resources to develop supportive housing at the regional level. VSH assembled the local, state, and federal funding and prepared memorandums of agreement for each city that detailed specific responsibilities, such as environmental compliance, rental voucher administration, and Davis-Bacon wage monitoring. "Each city contributed financially to the bricks and mortar, and the first few years of supportive services funding," explains Allison Bogdanovic, director of housing development for Virginia Supportive Housing. The cities also collaborated with VSH on the screening and referral process for applications from their jurisdictions.

The first regional housing complex, Gosnold Apartments, opened in 2007. VSH converted a vacant Nehi bottling plant into affordable studio apartments for 60 formerly homeless adults—42 from Norfolk, 12 from Virginia Beach, and 6 from Portsmouth. Residents pay 30 percent of their income as rent, with a minimum rent payment of \$50, and a HUD rental subsidy pays the balance of the \$543 monthly cost. Twenty-one residents had no income when they moved in. According to Bogdanovic, seventeen of them have now secured an income from either disability benefits or employment. The average income of current Gosnold residents is \$7,870, with an average rent payment of \$197.

Inspired by the initial success of Gosnold Apartments, the city of Chesapeake teamed with the original three cities and VSH to develop a second facility for area homeless adults. VSH converted an abandoned Virginia Beach skating rink into what's now known as Cloverleaf Apartments, which opened in November 2008. The first homeless facility to use the green building and energy-efficiency standards developed by EarthCraft House, Cloverleaf provides 60 studio apartments for homeless adults from all four cities. EarthCraft House is a voluntary green building program that has established guidelines for achieving energy efficiency, durability, indoor air quality, resource efficiency, waste management, and water conservation.

Funding for the Gosnold and Cloverleaf Apartments included:

- Low-Income Housing Tax Credits (LIHTCs);
- Local HOME funds;
- Virginia Housing Development Authority SPARC (Sponsoring Partnerships and Revitalizing Communities) loan funds;
- Local Community Development Block Grant program funds and general funds from Norfolk, Virginia Beach, Chesapeake, and Portsmouth;
- HOME funds from the Virginia Department of Housing and Community Development;
- Private foundations; and
- Rental subsidies provided by the HUD Section 8 Moderate Rehabilitation Program for Single-Room-Occupancy Dwellings.

Combining the various funding sources was a complex endeavor. VSH assembled the funding, with each city providing support letters to leverage state and private funds. Both the Gosnold and Cloverleaf projects had 12 different funders with unique grant agreements, contracts, and funding requirements that had to be reviewed and combined. Multiple attorneys—working on behalf of VSH, each city, the state, and the tax credit syndicator—had to approve every document. Timing was also critical. All parties had to commit and deliver funding in time for acquisition, syndication, and construction start, so clear communication with decisionmakers in each city was essential.

Combining federal funds from several jurisdictions with LIHTCs was also challenging. "Without collaboration, each city would have had to bear the cost of developing supportive studio apartments on its own," notes Bogdanovic. "This would be prohibitively expensive for most cities and would have required years of Continuum of Care voucher awards."

According to Bogdanovic, HUD's Richmond Field Office played an important role in the development of Gosnold and Cloverleaf. "The staff was open to a new regional housing concept and recommended review and approval of the concept to the HUD Washington staff," she explains. HUD agreed to allow the cities to combine vouchers from two years of Continuum of Care Section 8 Moderate Rehabilitation grant awards, which made the regional collaboration possible.

More information about the Gosnold and Cloverleaf Apartments can be found on the Virginia Supportive Housing website, www.virginiassupportivehousing.org, and in *The Virginian-Pilot* at www.hamptonroads.com/2008/11/homeless-find-lucky-cloverleaf and www.hamptonroads.com/2008/11/cloverleaf-apartments-give-home-after-life-street. **HH**

Built-out communities and jurisdictions with land use restrictions face significant barriers to implementing affordable housing. When confronted with a shortage of land suitable for development, community leaders must often come up with more creative solutions. Some jurisdictions are now turning to accessory dwelling units (ADUs)—also referred to as granny flats, accessory apartments, or second units—as a way of increasing the supply of affordable housing. A new report, *Accessory Dwelling Units: Case Study*, prepared for HUD's Office of Policy Development and Research, examines the history and benefits of ADUs and highlights six communities that have successfully implemented ADU ordinances.

Before the rise of suburbanization, ADUs were common in many single-family neighborhoods. The advent of Euclidean zoning codes encouraged the separation of land uses, which in turn led to prohibitions against ADU construction in many zoning districts across the country. In some instances, even preexisting units were deemed to be nonconforming. However, with the growing demand for affordable housing and the emergence of anti-sprawl and smart growth design movements (such as New Urbanism), ADUs are quickly regaining acceptance as a cost-effective means of increasing the affordable housing supply.

An Affordable Housing Option

ADUs are secondary living quarters located on single-family lots—complete with separate kitchen and bathroom facilities—but independent of the primary residence. Depending on their location, ADUs can be classified as interior, attached, or detached.



Credit: RACESTUDIO and city of Santa Cruz

A detached ADU above a garage designed by Boone/Low Architects and Planners.

Communities implementing ADU ordinances to increase their affordable housing options are finding that ADUs offer several benefits. First, development costs of ADUs are significantly lower compared with those of new, single-family homes on separate lots. ADUs also do not require additional public infrastructure such as roads, sewers, and storm drainage.

Further cost savings can be achieved in the planning and approval processes, in that communities can meet the demand for housing without having to make zoning changes. ADUs can be designed to blend in with the surrounding architecture, thereby maintaining neighborhood compatibility and preserving community character. These units are convenient and affordable to elderly or disabled persons who may want to live close to family members and caregivers while maintaining a sense of privacy and independence. Empty nesters or first-time homebuyers can offset their mortgage payments by adding a second unit, and young adults newly entering the workforce benefit from the lower rents.

ADU Case Studies

The six case study communities highlighted in the report exhibit diverse geographic, demographic, and socioeconomic characteristics, and employ different land use and growth control policies. Towns such as Lexington and Wellfleet in Massachusetts are built-out communities with limited land available for new residential development, whereas Portland, Oregon and Fauquier County, Virginia have strong growth boundaries. Barnstable, Massachusetts had numerous illegal accessory units that needed to be brought into compliance, and the high-end, high-demand real estate market of Santa Cruz, California led to a steadily increasing need for affordable housing.

Each of the study areas adopted variations of bylaws and code revisions in order to allow ADUs to be built on single-family lots. Their regulations allow one to three ADUs per lot, with varying occupancy and development standards. To encourage participation in ADU programs, all of the study areas offer incentives, such as setback and parking requirement reductions, fee waivers, and administrative assistance. A few even offer financial assistance in the form of interest-free loans and property tax exemptions.

In exchange for providing incentives, most of the study areas impose affordability requirements on the

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p Housing for Families Affected by HIV/AIDS

Congress enacted the AIDS Housing Opportunities Act of 1990 to address the special housing needs of people with HIV/AIDS. HUD subsequently established Housing Opportunities for Persons with AIDS (HOPWA), the only federal housing program that targets community-based housing programs serving very-low-income people living with HIV/AIDS and their families. In Fiscal Year 2008, HUD budgeted \$300 million to help local communities provide permanent housing support for 21,000 such households. Another 41,000 households received support for short-term and transitional housing. HUD awards 90 percent of HOPWA funds to cities and states using a formula that's based on the number of AIDS cases reported to the Centers for Disease Control and Prevention. Other HOPWA awards are competitive to identify model projects or programs, and some grants are awarded to underwrite technical assistance that will strengthen the capacity of service providers.

In December 2008, HUD awarded \$10.4 million in HOPWA funds to organizations in nine states, anticipating that nearly 300 families will benefit from a range of critically needed housing and social services. Grant recipients can use program funds to cover program planning and development costs, housing, health care and mental health services, chemical dependency treatment, nutritional services, case management, and programs that assist with daily living. The summaries that follow describe how the nine recipients intend to use their 3-year HOPWA grants to improve the lives of those facing multiple—and often quite formidable—challenges.

Alabama

The Health Services Center in Hobson City, Alabama was awarded \$997,838 to implement its Permanent Housing Plus (PH+) program, which will provide six permanent supportive housing units to chronically homeless and low-income individuals living within an 11-county service area in rural Alabama. The program will supply short-term rent, mortgage, and utility assistance to 20 households per year, ensuring that they remain stably housed. Sixty households will receive permanent housing.

California

The Salvation Army received \$660,795 to support its Confidential Services Overlay Model, which integrates



Credit: Metro Dallas Homeless Alliance

Dallas, Texas will funnel grant monies for transitional housing through The Bridge, the city's centralized access to services for the homeless.

a set of supportive services with emergency shelter and transitional housing for chronically homeless people living with HIV/AIDS. The program will operate out of the Salvation Army Bell Shelter and the Harbor Light Center in Los Angeles, and will provide transitional housing and residential substance abuse treatment for 47 homeless households annually. The Salvation Army will assess the cost-effectiveness of the housing model, taking the residents' quality of life, health, and well-being into consideration.

Florida

Broward House in Fort Lauderdale received \$1.4 million to implement its Recently Incarcerated Substance Abuse Housing II program, which will provide transitional housing and substance abuse treatment to recently incarcerated individuals living with HIV/AIDS. The program will support nine housing units and serve a minimum of 18 households each year.

Illinois

Heartland Human Care Services in Chicago received \$1.1 million to continue its First Step sobriety-based transitional housing program. First Step provides chronically homeless and low-income persons living with HIV/AIDS access to permanent housing and ongoing medical care, as well as assistance with substance abuse recovery. Located in the city's Edgewater neighborhood, the program will provide 15 units of transitional housing, along with supportive services for 28 households annually. This unique program relies on a system of peer counseling through "buddy" and "sponsor" relationships.

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accessory units. For example, the town of Wellfleet, Massachusetts offers tax exemptions to homeowners on the portion of the property that's rented as an affordable unit. Barnstable adopted an Amnesty Program in 2003 to bring existing illegal ADUs into compliance. Property owners participating in the program must rent the ADUs to low-income families earning no more than 80 percent of the area median income, with a minimum lease term of one year.

Revising restrictive zoning policies and adopting incentive programs to encourage ADU development has proven advantageous to the study areas. Santa Cruz, California has issued 40 to 50 permits annually since the start of its ADU program, while Barnstable has successfully converted existing illegal accessory apartments into code-compliant and affordable ADUs. By making efficient use of existing housing stock, Portland and Fauquier County have successfully increased the affordable housing supply within their respective growth boundaries.

These studies show that a community can tailor ADU programs to suit its specific goals and requirements. However, findings indicate that the most successful



Credit: Town of Barnstable, Massachusetts

This ADU, with a separate kitchen and bathroom, provides secondary living quarters on a single-family lot.

ADU programs are flexible and uncomplicated, offer fiscal incentives, and are supported by public education campaigns that increase awareness and generate community support.

Accessory Dwelling Units: Case Study is available as a free download at www.huduser.org/publications/affhsg/adu.html or in print, free of charge, by calling HUD USER at 800.245.2691. **HJ**

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Maryland

The AIDS Interfaith Residential Services (AIRS) received \$1.37 million to implement AIRS Permanent Housing, which will provide tenant-based rental assistance to approximately 26 households in the Baltimore metro area, in addition to supportive services focusing on medical adherence, income stabilization and growth, and family support. In addressing tenant needs, AIRS will draw on an extensive network of partnerships with local organizations.

Minnesota

Clare Housing was awarded \$1 million to support low-income people living with HIV/AIDS and residing in the Clare Midtown facility, a 45-unit apartment building in Minneapolis. This housing facility targets those with HIV/AIDS who are also chronically homeless or at significant risk of homelessness. The program will provide project-based rental assistance to 26 residents annually and 39 households over the 3-year grant period. Residents will have access to mental health counseling, medical assistance, and home-delivered meals.

Mississippi

Grace House was awarded \$1.27 million to provide transitional housing and tenant-based rental assistance to chronically homeless individuals with HIV/AIDS. This program will operate within three scattered-site locations in the West Central Mississippi Rural Renewal Community, which includes Hinds, Madison, Copiah, and Warren Counties. Residents will have access to onsite supportive services through provider linkages, including individual and group counseling, rehabilitative services, and medical support. Grace House will provide tenant-based rental assistance to approximately 24 homeless individuals annually.

New York

Bailey House in New York City received \$1.36 million to implement its Success Through Accessing Rental Assistance and Support (STARS) program. The STARS program will offer permanent housing by providing tenant-based rental assistance to 34 young adults between the ages of 18 and 24 who are struggling

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The latest issue of *Cityscape* integrates 10 different accounts of higher education's response to Hurricane Katrina into a symposium that tells a larger story of these institutions' shared commitment to educating students, building local capacity, and expanding the lexicon of community development strategies. Institutions of learning nationwide have joined community-based organizations, neighborhood associations, and groups of local residents in community restoration and building efforts. These experiences solidify the position of service learning in the college and university curriculum, teach students to play a more active role in promoting the public good, and further the cause of good community design.

Contributors to the *Cityscape* symposium present various projects that involve repairing and renovating neighborhoods, training people to build homes, working through participatory planning processes, preserving cultural sensitivity in restoration, and seeking innovative design solutions. The collaborations among universities and communities described in the symposium provide a glimpse of some of the more exciting renewal and recovery activities taking place along the Gulf Coast:

- A community service-learning project in the curriculum of the University of Nebraska-Lincoln Construction Engineering and Management program centers on the storm-damaged homes of Orleans Parish in New Orleans. These homes are being repaired or reconstructed, and new affordable home designs with damage-resistant features are slowly bridging the pre- and post-Katrina eras.



Credit: FEMA/Marvin Nauman

Students remove belongings from a hurricane-damaged home in the Gulf Coast.

- Louisiana State University (LSU), the recipient of a HUD grant initially awarded to investigate new prototypes for sustainable affordable housing, shifted its focus toward developing a homebuilding training program for New Orleans residents. This shift resulted in construction of the first two post-Hurricane Katrina houses in the Lower Ninth Ward on the north side. A construction team of previously unskilled workers and 13 fourth-year students in LSU's undergraduate architecture program completed the work.
- Grassroots activists and community leaders representing poor and working class residents of New Orleans, together with planning students and faculty from three research universities (Cornell, Columbia, and University of Illinois at Urbana-Champaign), overcame racial, class, and cultural barriers to create and promote a recovery plan for the 10 historic neighborhoods in the city's Ninth Ward.
- Residents of New Orleans' Seventh Ward took charge of their neighborhood's restoration to ensure that it would reflect and celebrate their African and Creole cultural legacies. Students and professors from the University of Kansas School of Architecture and Urban Planning are providing design and rebuilding resources to facilitate this grassroots effort.
- Residents and public officials in Harrison County, Mississippi, together with students from Ohio State University's Knowlton School of Architecture, are planning post-disaster recovery that is consistent with community wishes and goals. The goal is to create plans that are transparent and that *matter*, involving citizens in a participatory process with multiple ways of reaching residents: town hall meetings, an 800 number that people can call with comments and questions, and an online discussion board to keep those with Internet access informed.
- An innovative partnership between the Urban Conservancy and the University of Missouri-Kansas City's Department of Architecture, Urban Planning, and Design focuses on local culture as the foundation for disaster recovery and economic renewal. This joint initiative demonstrates the usefulness of mutual respect and local capacity building in forging viable university-community partnerships.

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with substance abuse and/or mental illness. This program will connect individuals living within the Bronx neighborhoods of Hunts Point, Morrisania, and Mott Haven to medical care and a range of supportive services.

Texas

The city of Dallas received \$1.2 million to provide transitional housing to 62 households. The program will operate out of a state-of-the-art homeless assistance center, a centralized access point to multiple services for the chronically homeless called The Bridge.

Residents will have access to ongoing rental assistance and transitional housing for a period not to exceed 24 months while they work to become independent and obtain permanent housing on their own.

Although these nine recipients share the HOPWA funding source, their programs are diverse and unique. Each grantee uses its own community-based approach to target households affected by HIV/AIDS. Additional information and points of contact for each of the award winners are available at www.hud.gov/news/release.cfm?content=pr08-181.cfm. **HJ**

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- The ecoMOD project is a joint effort by the University of Virginia and Habitat for Humanity® International that, since Hurricane Katrina, has produced an ecological, prefabricated, and affordable home design for a family on the Gulf Coast of Mississippi. This flat-pack panelized home design features a super-insulated steel and foam panel system, rather than a wood stud frame, and is being tested for its cost-effectiveness, energy efficiency, and applicability to disaster recovery.
- The Gulf Coast Community Design Studio from Mississippi State University brings its specialized knowledge of planning, design, and construction into focus by learning about the cultural background and interests of a community, which then informs recovery and rebuilding activities. Based on the principle that a community's beliefs, customs, and values must help shape its approaches to recovery, residents were surveyed about what they liked best about their community and what they most wanted to see rebuilt, restored, or improved. The subsequent plan to rebuild the community strived to restore not only homes, but also the intangible set of values held by its residents.
- When a group of students and designers took on the task of rebuilding Patricia Broussard's East Biloxi home, they knew that building an elevated home to a high standard of quality and sustainability on a very limited budget would require a new approach. The project, known as "the treehouse," became a laboratory for collaboration among students (from Pennsylvania State University, Mississippi State University, and the University of Texas-Austin),

designers, construction professionals, and volunteers seeking new approaches to flood mitigation-based design. The techniques explored and lessons learned during the project will enhance building standards along the Gulf Coast.

- URBANbuild, a program of Tulane University's School of Architecture, serves as a lab for researching and developing innovative design strategies for New Orleans. The outreach program concentrates on urban design and innovative, sustainable housing solutions to rehabilitate New Orleans' neighborhoods and revitalize blighted and abandoned areas.

Although born of adversity, these partnerships between institutions of higher learning and local groups offer opportunities to form lasting and mutually beneficial relationships. Despite the benefits and achievements of these learning and service-based projects, however, guest co-editor Kathleen Dorgan cautions that university-community partnerships can also pose challenges. Participants must take care to ensure that the involvement of students, who are pre-professionals, still yields high-quality service. Above all else, Dorgan emphasizes that projects must employ standards of excellence that prevent harm and leave communities stronger, suggesting that design professionals can do more to step up to this responsibility.

Detailed discussions about these projects, along with other features of *Cityscape*, Volume 10, Number 3, can be downloaded for free at www.huduser.org/periodicals/cityscape/vol10num3/index.html or ordered in print from HUD USER for a nominal charge by calling 800.245.2691. **HJ**

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

- An innovative mix of funding sources enabled the restoration and renovation of Meridian Manor, a 34-unit apartment building in the nation's capital, into a leasehold limited equity cooperative. All residents have incomes at or below 50 percent of area median income and about two-thirds are single mothers. We'll look at the partnerships and financing that made this project possible.
- HUD economists maintain regional overviews of economic and housing market trends that provide a perspective on current economic conditions and their impact on the housing market. The data on employment, home sales and median prices, residential building activity, and rental housing markets are updated regularly and appear in *U.S. Housing Market Conditions*, published quarterly by HUD's Office of Policy Development and Research. We've selected examples drawn from the third quarter 2008 report to illustrate the kinds of information available for each variable, for all regions of the country.
- \$650 million in HUD grants is going to nonprofit developers who provide accessible affordable housing, rental assistance, and supportive services to two very-low-income target populations: people 62 years of age or older and persons with disabilities who need assistance to live independently. *ResearchWorks* will briefly examine these programs (Section 202 and 811) and highlight some of the plans that are in the works for making the most of these funds.
- HUD has undertaken a number of actions resulting in \$33 million in energy savings in the HOME Investment Partnerships (HOME) program, the CDBG program, energy performance contracting in public housing, and the FHA-insured Energy-Efficient Mortgage program. We'll examine the training on energy-efficient management offered to more than 2,500 individuals, HOME's training curriculum and competitive grant program for energy efficiency and green building, and the Office of Affordable Housing Preservation's green building initiative for multifamily properties participating in the Mark-to-Market program.

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