



# STRENGTHENING OUR COMMUNITIES

## U.S. Department of Housing and Urban Development

BY JOAN MORGAN

At the 2010 Federal Agency Update, the U.S. Department of Housing and Urban Development (HUD) and IRWA entered into a partnership agreement seeking to promote cooperation between the two organizations and create a learning environment for HUD employees involved in the acquisition and relocation fields.

HUD's relocation staff has benefitted from a productive working relationship with IRWA for several years, but was previously limited to providing conference speakers and conducting training on HUD-specific programs and processes, providing guidance to IRWA members involved in HUD projects, and sharing ideas with the IRWA Relocation Committee. With this new partnership agreement, in addition to HUD's partnerships with other Federal agencies on joint program initiatives, there is potential for deeper exchange of ideas and resources far beyond the relocation and acquisition issues covered by the Uniform Act. Notably, it has recently opened the door for HUD to participate with IRWA and the World Federation of Real Estate to develop a position paper for the United Nations on affordable and social housing around the globe.

### Right of Way at HUD

While "right of way" is not a term commonly used in our programs or jargon, these activities, concepts and functions are certainly integrated into HUD program requirements. Rather than looking at the specific right of way needed for roads, airports or pipelines, we focus more on neighborhoods, as well as city, county and state strategic development needs for housing construction or rehabilitation, community needs

for public facilities or services, areas impacted by disaster or blight, and under-served populations where our housing and community development programs can make a difference in people's lives. However, identifying the proper site or location for these activities are among the important right of way functions our grantees and staff address every day.

### Day-to-Day

HUD funds largely go to state or local governments and non-profit organizations. These agencies, in turn, provide or hire the professional manpower for land acquisition, project site development, rehabilitation of housing or commercial buildings, facilitating social services via housing or services for lower income populations, mortgage insurance programs to help facilitate financing, development and/or expansion of housing options, hospitals and nursing homes. We also make sure that opportunities are made available to the public on a non-discriminatory manner. Our programs create jobs in construction, surveying, appraisal, relocation, land/property acquisition, project planning and financing, green building and retrofitting, and in community services areas.

However, like all local, state, and federal agencies and most businesses, we are experiencing the loss of knowledgeable people through normal attrition and retirements. This is often accompanied by the loss of a large wealth of knowledge and experience that is too frequently gone before we have a replacement on board, although great strides are being made to simplify the hiring process. This leaves a tremendous gap in skills and knowledge transfer, and increases the training

time necessary for new hires. With the tremendous need in our communities for HUD recovery programs and assistance, we have to do more to bring new hires up to speed quickly and make use of their advanced skills to improve existing methods and procedures.

### Effect of the U.S. Recession

The problems in the financial market have had a great impact on many of our communities. In the past, communities had used private market investments to combine with funds received from HUD. Now, private financing has been severely curtailed or has even virtually disappeared in many areas. Many projects already in the planning stages were placed on hold or abandoned. In response, Congress provided funding for HUD's Recovery Act programs specifically designed to address this issue. For example, the Tax Credit Assistance Program, and a similar program handled by Treasury, the Tax Credit Exchange Program. Both are designed to address the lost value in the tax credit markets and jumpstart stalled projects.

Other HUD Recovery Act programs deal with the large number of foreclosed homes, homes in default and newly homeless families. Many of our communities are receiving huge increases in HUD funding - far beyond their normal allocations - to address these issues through the Neighborhood Stabilization Program, Homeless Prevention grants, and Public Housing Capital Funds. We still have a lot more work to do, but this new set of tools and resources will enable us to help communities rebound.

### Effect of Legislation

Luckily, recent legislation targeted at stimulating the economy has also had a positive effect for HUD. With home foreclosures on the rise, programs like the Homelessness Prevention and Rapid Re-housing Program (HPRP) have already helped to either prevent homelessness, or rapidly re-house more than 750,000 persons. In the past, HUD programs focused only on assisting those individuals and families who were already in need of housing. HPRP has allowed us to extend assistance to individuals and families who are currently in housing, but are at risk of becoming

homeless and who need temporary assistance to maintain housing. Payments through the HPRP are expected to be short duration, must be made to third parties (landlords, utility companies) and must place an emphasis on linking persons with other community services and Recovery Act Programs.

Likewise, the Public Housing Capital Fund has enabled local Housing Authorities to address critical repairs and energy improvements. The Neighborhood Stabilization Program, which was designed to help turn foreclosed properties back onto the marketplace, has been making significant progress and has been expanded to address the acquisition of properties through short sales in order to eliminate the blight a vacant property causes in neighborhoods, limit the amount of vandalism to properties, and help families in financial trouble move beyond their current financial difficulty. Because this focus is putting these properties back into the market as either rentals or affordable homeownership opportunities, NSP has helped communities lessen the impact of the mortgage crisis on the well-being of their neighborhoods.

### Recent Accomplishments

The Recovery Act also provided HUD with new and innovative funding to address both short term and long term improvements in housing and communities. This will help mitigate the effects of the economic catastrophe around the nation in three key areas which will facilitate green jobs, shovel-ready projects and stable communities.

First, steps have been taken to promote energy efficiency and create green jobs. These investments are powerful vehicles for economic recovery because they work quickly, are labor-intensive, create jobs where they are needed most, and lead to lasting neighborhood benefits. These investments have been made through:

- Public Housing Capital Fund: \$4 billion invested in energy efficient modernization and renovation of our nation's critical public housing inventory. Over 337,420 units were rehabilitated and 2,167 new units developed in fiscal year 2010.
- Native American Housing Block Grants: \$510 million invested in energy efficient modernization and renovation of housing maintained by Native American housing programs and the development of sustainable communities. Over 6,330 units were rehabilitated and 811 new units developed in fiscal year 2010.
- Assisted Housing Energy Retrofit: \$250 million invested in energy efficient modernization and renovation of housing of HUD-sponsored housing for low-income, elderly and disabled persons. Nearly 6,800 units were rehabilitated through the end of fiscal year 2010.
- Lead Hazard Reduction: \$100 million invested in lead-based paint hazard reduction and abatement activities. Over 3,350 units were cleared of lead during fiscal year 2010.



HUD Deputy Secretary Ron Sims and IRWA Past President Sandy Grigg, SR/WA sign the partnership agreement in 2010.



Joan Morgan led a session at the 2010 Federal Agency Update in Las Vegas, along with Gerry Solomon from the Federal Highway administration and Ed Chu of the Environmental Protection Agency.

HUD has also been supporting shovel-ready projects and assisted housing improvements. These investments will support a broad range of housing and community development projects that are ready to go. Many of these projects have been stalled thanks to a lack of private investment. These projects include:

- **Tax Credit Assistance Program:** \$2.25 billion invested in a special allocation of HOME funds to accelerate the production and preservation of tens of thousands of units of affordable housing. An estimated 60,000 units in 847 projects will be created or improved with the use of this funding.
- **Project-Based Rental Assistance:** \$2 billion invested in full 12-month funding for Section 8 project-based housing contracts. This funding will enable owners to undertake much-needed project improvements to maintain the quality of this critical affordable housing.

Investments have also been made to promote stable communities and help families hardest hit by the economic crisis. This helps communities and families that have experienced the brunt of the economic downturn. Resources will be used to stabilize and revive local neighborhoods and housing markets with heavy concentrations of foreclosed properties. Funds will also assist the vulnerable families and individuals who are on the brink of homelessness or have recently become homeless. These funds have been made available thanks to:

- **Neighborhood Stabilization Program:** \$2 billion invested in mitigating the impact of foreclosures through the purchase and rehabilitation of foreclosed, vacant properties in order to create more affordable housing and renew neighborhoods devastated by the economic crisis.

- **Homelessness Prevention:** \$1.5 billion invested in preventing homelessness and enabling the rapid re-housing of homeless families and individuals, helping them re-enter the labor market more quickly and preventing the further destabilization of neighborhoods. Over 750,000 families and individuals were assisted during fiscal year 2010.
- **Community Development Block Grants:** \$1 billion for approximately 1,200 state and local governments to invest in their own community development priorities. Most local governments use this investment to rehabilitate affordable housing and improve key public facilities – stabilizing communities and creating jobs locally. Tribes that received Indian Community Development Block Grant funds in fiscal year 2008 are eligible to compete for a portion of these funds.

### Eye to the Future

In the U.S., there is a great unmet need to restore the deteriorating public housing infrastructure, simplify HUD's rental assistance programs and provide greater choice to renters. On December 1<sup>st</sup>, Minnesota Congressman Keith Ellison introduced the Rental Housing Revitalization Act (H.R. 6468), a proposal designed to leverage \$25 billion in private funding to make much-needed repairs and renovation to the public's affordable housing stock and create more than 300,000 new jobs in communities across the country. This Act builds on and refines an earlier proposal by HUD which was designed to allow local agencies to access private market financing and management tools currently used by many of the nation's affordable housing owners. Secretary Donovan sees this proposal as an important step toward preserving and revitalizing America's public housing stock and simplifying the way HUD's affordable housing programs work.

At HUD, we are excited about the future, and look forward to working with IRWA and all our partners to create a better future for all Americans through stable housing and safe communities.



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