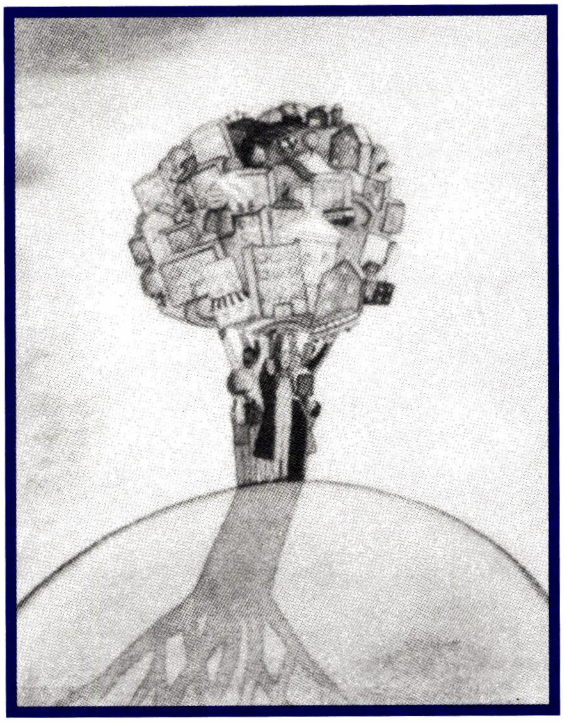

BUILDING PUBLIC-PRIVATE PARTNERSHIPS TO DEVELOP AFFORDABLE HOUSING

The Department of Housing and Urban Development,
Office of Community Planning and Development

Henry Cisneros
Secretary

Andrew Cuomo
Assistant Secretary

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FOREWORD FROM ANDREW CUOMO

One of the greatest challenges communities face today is the provision of decent, safe and affordable housing. The U.S. Department of Housing and Urban Development's Office of Community Planning and Development (CPD) is working to assist communities create affordable housing as part of their larger comprehensive revitalization efforts. This is an approach that considers the housing, social service, and economic development needs of communities, focuses on specific geographic areas, and involves the residents, the private sector, and government in both the planning and implementation. Generally, comprehensive public-private partnerships begin with a focus on community problems rather than in response to federal program mandates.

In 1994, HUD provided communities with a tool for framing the basic principles of their "vision" of comprehensive community development using federal resources. It is referred to as the Consolidated Plan. The Consolidated Plan folds the planning and application aspects of several CPD programs into a single submission, with greater involvement in establishing a community-building partnership between residents, community-based organizations, the private sector, educational institutions and governments to create and initiate a locally-driven consensus around agreed-upon values, goals and needs on which to focus local resources.

This guidebook is provided to augment the ongoing efforts of the Consolidated Plan. It provides innovative ideas and approaches for using public-private partnerships to develop affordable housing. It documents the experience of four technical assistance providers - The Enterprise Foundation, National Development Council, Local Initiatives Support Corporation, and The Community Builders - that worked with communities to develop, through the use of public-private partnerships, innovative approaches to provide and retain affordable housing.

We look forward to continuing to work with communities across the nation in their efforts to use partnerships for linking people to jobs, housing and stronger communities.

FOREWORD FROM JAMES ROUSE

The most pressing domestic problem facing our country is the condition of our cities. Far too many families live in intolerable conditions which foster a sense of hopelessness and despair. Those with low incomes feel trapped, those with resources feel threatened -- a dynamic that only encourages fear and isolation, and a disbelief among many of our national leaders that anything can be done to create positive change.

Despite this difficult situation, there are important and serious efforts underway to change our belief in what is possible. The Enterprise Foundation, and other national and regional organizations, have been working to change systems. Systems of producing and financing housing for low income people. Systems linking services to housing. Systems that bridge people with neighborhoods and housing development with economic development. Only when we change systems can conditions change.

The Public Private Partnership program discussed in this report is one very important approach toward system building and system change. HUD's support to this effort is a wonderful example of how national resources can be made available in a flexible manner that allows individual communities to determine an organizational and programmatic approach responsive to local needs and opportunities.

Enterprise looks forward to the lessons learned from our partnership-building experiences being adapted to communities around the country. As communities look to do more with limited resources over the next several years, the importance of localized partnership-building should be a fundamental strategy.

In Memoriam
James W. Rouse
The Enterprise Foundation
April 26, 1914 - April 9, 1996
"What ought to be, can be,
when you have the will to make it so."

ACKNOWLEDGEMENTS

The work of many individuals dedicated to providing decent and affordable housing for low- and moderate-income people is reflected in this publication. While The Enterprise Foundation was under contract to compile, edit and publish the HUD Public-Private Partnership Guidebook, it would not have been prepared without HUD's strong interest and support in widely disseminating the experience of partnership activities in 50 communities for the benefit of those who share an interest in forging new strategies and programs to overcome the nation's housing problems.

In particular the role of Jessie Handforth Kome, Enterprise's government technical representative (GTR), must be acknowledged. Ms. Kome achieved consensus among the four intermediaries on the content and organization of this guidebook and encouraged Enterprise staff in the face of substantial editorial challenges. Sue Miller continued this role at HUD and followed the project to completion.

Rick Cohen, formerly a vice president of Enterprise, then consultant, and currently a vice president of LISC, played a key role. He is the author of the overview that elucidates the combined experiences of the four intermediaries and of the 50 partnerships.

Josh Posner at The Community Builders, Inc.; Steve Graziani at LISC; and Bob Davenport and Kathy Gibbons with the National Development Council were each instrumental in commenting on the organization of this report and in gathering information and writing partnership descriptions for their partnership program communities.

At Enterprise, Fredric C. Cooper, deputy director of Housing Services, managed the coordination of information gathering, writing and editing of the guidebook, and authored the introduction. Diana Meyer-Flanagan, director of the Research, Evaluation and Documentation division of Enterprise, brought together many pieces of this report and edited the brief partnership descriptions. She also managed the research staff who gathered census and program data. In particular, Jeff Blackwell, a research assistant from the Department of City and Regional Planning at the University of North Carolina at Chapel Hill, deserves special praise for the work he did in compiling information on the resources Enterprise provided to its partnership communities and in completing the overall guidebook.

Suzanne Brinkley and Harriet Fiegenbaum deserve mention for their consistent attention to detail in data gathering and research, and word processing and formatting, respectively.

Finally, none of the activities or successes in establishing partnerships, increasing resources and providing affordable housing described in this report would have happened without the dedication and efforts of local officials, CDCs, local partnership boards and staff members, community leaders and private sector supporters, and the numerous program staff of the four intermediaries in the HUD Public-Private Partnership program.

Fredric C. Cooper
January 1996
Columbia, Maryland

INTRODUCTION TO THE PUBLIC-PRIVATE PARTNERSHIP PROGRAM AND GUIDEBOOK

This guidebook chronicles intervention efforts to combat some of our nation's most pressing domestic problems--the disinvestment and decay of neighborhoods and lack of affordable housing in our cities and the resulting hopelessness of those who live there. The U.S. Department of Housing and Urban Development (HUD) provided slightly more than $4 million over three years to four national intermediaries--The Community Builders (TCB), The Enterprise Foundation (Enterprise), the Local Initiatives Support Corporation (LISC), and the National Development Council (NDC)--to intensify their efforts to create solutions to the high cost and poor condition of housing available to low- and moderate-income people in 50 Community Development Block Grant entitlement communities through the building or strengthening of local public-private housing partnerships.

HUD's intention was to test the value of creating collaborative approaches between local governments and the private sector--both the business sector and community-based nonprofit housing providers. This relationship is referred to as a public-private partnership. The functional focus for the partnerships HUD encouraged is housing and, in particular, housing for low-income families and individuals.

The four national intermediaries were charged with the following objectives:

1) Create local affordable housing partnerships;

2) Support strategic planning for affordable housing;

3) Increase the production and availability of suitable, affordable housing; and

4) Improve the capacity of community-based development organizations (CBDOs) to develop affordable housing and participate in the local partnerships.

The results of these public-private partnership activities in 50 communities are described in this guidebook. Affordable housing activities were undertaken in a wide variety of local economic, physical and political environments. The intermediaries' technical assistance approaches and local institutional arrangements to provide affordable housing varied as well. This guidebook will share the experiences of the 50 communities so that lessons learned can be applied in other settings. The guidebook contains:

- An overview of the local partnership models, organizational efforts, program activities, types of financial resources, and lessons learned;

- A table that summarizes the partnership function in each of the 50 locations;

- Descriptions of each partnership's history, the intermediary's role, the approaches taken to increase the housing supply and affordability, and to strengthen production systems, financial resources and capacity. The descriptions are organized alphabetically by the cities or counties which participated;

- An in-depth analysis of nine of these public-private partnership communities--what worked and why, and in some cases, what efforts did not work and why; and

- Each community description includes a comparative data snapshot of local demographics and housing conditions. A data narrative follows as Appendix A. Certain data summary terminology is explained. Other Appendix items include: a list of local government contacts; a list of HUD Field Offices; a map indicating the location of the 50 communities; and, a description of the four national intermediaries.

Although all 50 communities qualify as CDBG entitlement communities, the selection process resulted in localities dispersed throughout the country with greatly varying housing markets.

The settings for these public-private partnership efforts range from severely depressed cities (Buffalo and Detroit) to high growth areas (Clark County/Las Vegas and Santa Fe); and from geographically constricted cities (Milwaukee and New Haven) to entire metro counties (Lancaster County and Tarrant County). El Paso and Bryan, Texas, are in two of the lowest income metropolitan areas in the country. On the other hand, New Haven and Reno are central cities within two of the highest income metropolitan areas.

Given these distinctions, each partnership's structure and functions must be unique to local circumstances in order to be effective. The functions of the partnerships will depend upon the housing needs and opportunities in that city. Some of the partnerships are direct producers of housing, others have a financing function, many are capacity builders--providing technical or financial support to other nonprofit developers. Some partnerships are informal, that is not incorporated, and provide a limited function, perhaps serving as a forum for coordinating housing activities across several organizations.

Universally, partnerships try to attract new resources into the housing arena. Usually this means gaining new private sector financial support for housing--operating support for nonprofit community development corporations, more bank financing in deteriorated neighborhoods, equity investments in tax credit projects, contributions to a subsidy fund or direct support for the partnership's operations. New resources can also include non-financial help. For example, within the business world, the credibility and legitimacy of a visible leader of the business community can help increase access to financial and other resources and a positive local government environment for affordable housing. That same degree of legitimacy can be achieved with the involvement of established community institutions. In many of the partnership communities, local United Ways have played instrumental roles in bringing partners together.

Another common theme of partnerships is to build housing production capacity among the community's neighborhood-based and other nonprofit groups. Components of capacity building include operating support, training and technical assistance for both specific projects and in building organizational strength.

The process often used by the intermediaries to form or strengthen a partnership generally followed a common path: 1) assessment of the community to identify strengths and gaps in the housing delivery system, opportunities for system building, and new financial resources; 2) strategic planning to help the community define an affordable housing goal and program objectives; 3) partnership building to shape partner relations; 4) technical assistance to community development corporations and to local government, as needed, to strengthen housing financing and production capacity; and 5) delivery of housing project-specific technical support to increase the number and quality of affordable housing units.

Based on the intermediaries' experiences, the partnership approach is a valuable tool for addressing local housing needs. The growth of housing partnerships has driven the formation and expansion of the National Association of Housing Partnerships.

HUD selected the four intermediaries competitively, in part, because of their prior experience in helping communities with the production of housing for low- and moderate-income people. All four intermediaries have worked with local governments and community-based nonprofit organizations, and with citywide nonprofit entities.

This guidebook compiles the practical, public-private partnership experiences of the intermediaries in varying local circumstances. The Community Builders, Enterprise, LISC, and the National Development Council have documented their three-year efforts under the HUD-supported public-private partnership program in this guidebook so that users may learn from the experiences of various community efforts about what has worked in building public-private partnerships, accessing new financial resources, and planning and implementing effective housing programs.

OVERVIEW OF PUBLIC-PRIVATE PARTNERSHIPS
By: Rick Cohen

There is good news to report: public-private partnerships for affordable housing work. An unusual open-ended experiment in partnership-building and partnership-strengthening, initiated by the U.S. Department of Housing and Urban Development (HUD) in 1990, has paid off with some 50 explorations of the efficacy of partnerships in the production of affordable housing.

The purpose of this overview is to distill the lessons learned from HUD's cooperative program to help cities and counties build public-private partnerships, not to serve as an evaluation of the impact of the intermediaries' roles or an assessment of the results of the partnerships themselves. More specifically, the discussion will address the purposes and types of public-private partnerships, the attributes of the partnerships that received the assistance of the four intermediaries, and the skills and resources needed to spawn public-private partnerships in other communities.

HUD selected four nonprofit community development intermediaries--The Enterprise Foundation, the Local Initiatives Support Corporation (LISC), the National Development Council (NCD), and The Community Builders (TCB)--to provide training and technical assistance (TA) to municipal government officials, nonprofit housing development corporations, and public and private sector leaders in designated local jurisdictions across the nation.

In nearly every instance where a public-private partnership actually emerged or advanced from the partnership-building activities of these four intermediaries, a range of distinctive benefits were conferred on the communities:

- affordable housing production by nonprofit developers, particularly community development corporations (CDCs), increased;

- in general, the number of functional, sustainable, capable CDCs increased;

- the leverage of private and other public sector resources as a result of the use of CDBG and HOME[1] funds showed dramatic improvement, getting "more bang for the buck" from federal dollars administered by local governments;

- processes for charting the future needs and uses of affordable housing subsidies improved significantly, as partnerships channelled and enhanced private sector (particularly nonprofit) input into municipal affordable housing plans;[2] and

- concomitant with higher levels of production, greater private sector leverage, and improved planning, the more successful communities participating in this HUD cooperative program fashioned major improvements in their systems for deploying housing subsidies, particularly as public bodies became able to assist partnerships as vehicles for implementing local housing policies and goals.

The several successes in this program should not be construed to mean that there were not disappointments and failures among the communities assisted by the four intermediaries. Nor can the experience of two or three years of organizing partnerships, which are only now beginning to show progress and product, constitute a significant enough period of time to confidently proclaim these communities as long-term partnership success stories. In fact, in some of the positive examples, there is evidence of some backsliding in the effectiveness and sustainability of the partnerships as a result of funding problems, staff turnover, electoral changes, and other not unexpected difficulties.

Despite the ubiquity of partnership language in many current federal housing initiatives, this technical assistance program appears to be one of the first HUD initiatives which precisely encouraged the HUD-funded TA providers to reach out to housing partnerships as primary clients or beneficiaries.

The Intermediaries and their Approaches

No one, including HUD staff, force-fed any of the intermediaries to the 50 communities that participated in the program. Through its staff and trade publications, HUD solicited expressions of interest from CDBG grantees about the availability of free,[3] partnership-building technical assistance and training. The intermediaries recruited localities and responded to inquiries, in the end negotiating with HUD as to which communities they would assist.[4]

- The Enterprise Foundation has a long history of assisting community-based nonprofit development organizations. Enterprise also developed an interest in creating and supporting nonprofit developers and housing partnerships operating over broader geographies. Columbus (Ohio) Housing Partnership, Dallas Affordable Housing Partnership, and Baltimore City Homes are examples of models developed by Enterprise to produce affordable housing at greater volumes due to economies of scale. In the HUD partnership-building effort, most of Enterprise's communities established or strengthened citywide financing partnerships and built production entities that frequently drew on other models Enterprise has developed. Enterprise focused on direct benefit to very low-income persons and households, consistent with its formal organizational mission and the vision of Enterprise's founder, to address the housing and economic conditions of people in poverty. With the exception of Dallas, all of the Enterprise cities were assisted by technical assistance training and staff traveling from Enterprise's headquarters[5] in Columbia, Maryland, rather than being stationed in the partnership cities themselves.

- The LISC operating model is structured as a public-private partnership. Resources are raised from local public and private sources and matched by national LISC funds. A Local Advisory Committee constituted by local corporate, foundation, and community leaders manages that funding pot, which pays for the operations of the local on-site LISC office and staff as well as seed grants, "recoverable grants," and predevelopment loans awarded to local CDCs. Although some LISC programs have actually created or spun off independent partnerships and operating support collaboratives--for example, the Kalamazoo Housing Partnership or Boston's Neighborhood Development Support Collaborative--the local LISC program governed by the members of the Local Advisory Committee working with municipal and state government officials and local CDCs is in and of itself a public-private partnership.[6] The Local Advisory Committees control the combined public and private resources typical of the older, well-known formally organized partnerships. The partnerships organized by LISC under this HUD technical assistance contract melded the Local Advisory Committees with other local and regional institutions--city and state governments, United Way agencies, and others--to define community priorities, generate coordinated affordable housing planning, engage in joint problem-solving, and stimulate broader resource commitments to community-based development. LISC programs demonstrate a tenacious commitment to supporting CDCs as the primary vehicles for the production and preservation of affordable housing, with distinctive products in predevelopment financing and operating support.

- The Community Builders' is a vocal champion of the role of neighborhood-based community development corporations in the production of affordable housing. In its view, partnerships are useful when they enhance the provision of financing, core operating support, and technical assistance to CDCs, as opposed to adding complexity and obstruction to the process. However, in the HUD contract, it worked with citywide nonprofits and partnerships such as the Providence Plan Housing Corporation and the New Haven Partnership for Community Development, building their capacities toward assisting CDC-sponsored housing development, and thus enhancing the production (and ultimately management) capacity of CDCs.

- The National Development Council's (NDC) primary "client" in this partnership-building initiative tends to be municipal and county government. Unlike the other intermediaries, NDC has a long history of training and assisting governmental agencies in the use of federal programs, from Urban Development Action Grants to HUD/FHA 203(k) mortgage financing. Its working relationships with local government officials emerge in its reports on its cities. One of NDC's area of expertise is the formation of multi-bank CDCs, reflected in the workplans of several of the partnership sites. NDC also has well-established experience in helping communities with small business development.

Regardless of their individual approaches, all four intermediaries provided valuable hands-on assistance to both active and new partnerships, many of which are now among the leaders of the national movement to strengthen housing partnerships. New (or relatively new) formally organized and institutionalized partnerships started or invigorated by the intermediaries' assistance through this HUD program are:

Atlanta Neighborhood Development Partnership

Metro Housing Partnership (Flint, MI)
Tarrant County Housing Partnership (centered in Fort Worth, TX)
Jackson Metro Housing Partnership
Kansas City Capacity Building Program
Kenosha Housing Partnership
Knox Housing Partnership (Knox County, TN)
Lynchburg Neighborhood Development Fund
New Haven Partnership for Community Development
Philadelphia Neighborhood Development Collaborative
San Antonio Housing Trust
Santa Fe Affordable Housing Roundtable
Topeka Housing Partnership
Worcester Neighborhood Development Collaborative

In other cities, the intermediaries succeeded in facilitating partnership relationships among city agencies, private lenders, corporate investors, and community-based nonprofits without establishing formal partnership institutions. Although not incorporated as a not-for-profit organization, these new partnership-style relationships are exemplified by examples such as coordinated strategic planning (such as the Hilltop Homeownership Action Plan developed in Tacoma), broad-based consultation on public program design (for example, the Section 108 program in Richmond, VA, and the HomeStart program in Detroit), and significant increases in resources devoted to community-based development (as in Tacoma's commitment of over $1 million of HUD special purpose and CDBG funds for loans to CDCs). The informal partnerships complemented the efforts of established CDCs and other nonprofit housing and service providers.

In general, this HUD-sponsored effort to build housing partnerships tackled problems in some of the most distressed cities and metropolitan areas in the United States, as illustrated by the data below:

City[7]	Poverty Rank[8]	Poverty Rate	Intermediary
Detroit	8	32.4%	LISC
Flint	13	30.6	LISC
Atlanta	25	27.3	Enterprise
Harrisburg	26	27.0	Enterprise
Buffalo	34	25.6	Enterprise
El Paso	35	25.3	NDC
Providence	53	23.0	TCB
Syracuse	55	22.7	NDC
Jackson	56	22.7	Enterprise
San Antonio	58	22.6	Enterprise
Louisville	60	22.6	Enterprise
Milwaukee	67	22.2	Enterprise
Bryan	69	22.0	NDC
Canton[9]	72	21.9	Enterprise
Charleston	78	21.6	Enterprise

Stockton[10]	80	21.4	NDC
New Haven	82	21.3	TCB
Lancaster[11]	86	20.9	Enterprise
Richmond (VA)	87	20.9	LISC
Knoxville[12]	89	20.8	Enterprise
Denton	91	20.7	NDC
Philadelphia	94	20.3	LISC
Toledo	113	19.1	LISC
Los Angeles	120	18.9	LISC
Trenton	141	18.1	Enterprise
Dallas	145	18.0	Enterprise
Fort Worth[13]	156	17.4	Enterprise
Sacramento	160	17.2	NDC
Denver	163	17.1	Enterprise
Tacoma	176	16.8	LISC
Lynchburg	186	16.4	Enterprise
Richmond (CA)	192	16.1	LISC
Kansas City (MO)	210	15.3	LISC
Worcester	211	15.3	TCB
Pasadena	219	14.9	NDC
Portland (OR)	225	14.5	Enterprise
Portland (ME)	239	14.0	TCB
San Diego	256	13.4	LISC
Kenosha	271	12.7	NDC
Topeka	283	12.3	Enterprise
Santa Fe	284	12.3	Enterprise
Greensboro	296	11.6	Enterprise
Reno	298	11.5	NDC
Las Vegas[14]	299	11.5	NDC
Charlotte	312	10.8	Enterprise
Cleveland Heights	355	8.5	NDC

In terms of population living in distressed and severely distressed Census Tracts, notwithstanding the overall poverty populations of these communities, the partnership sites rank very high:[15]

Cities Ranked by Population Living in Poverty and Extreme Poverty Tracts

City (Intermediary)	PovertyTracts (pop/rank)		Extreme PovertyTracts (pop/rank)	
Detroit (LISC)	768,091	4	375,548	3
Los Angeles (LISC)	1,415,445	2	230,338	4
Philadelphia (LISC)	657,484	6	191,515	5
San Antonio (EF)	452,666	7	152,420	7
Milwaukee (EF)	273,471	14	140,831	9
Atlanta (EF)	234,219	18	91,944	13
El Paso (NDC)	309,440	12	82,197	15

Dallas (EF)	348,738	8	80,383	17
Buffalo (EF)	187,002	23	61,277	20
Flint (LISC)	104,860	52	46,076	29
San Diego (LISC)	219,000	20	38,739	32
Syracuse (NDC)	70,651	70	38,150	33
Toledo (LISC)	139,416	37	36,041	35
Jackson (EF)	108,604	48	31,748	41
Louisville (EF)	122,425	43	31,646	42
Fort Worth (EF)	164,855	31	31,202	44
Knoxville (EF)	69,671	72	25,355	53
Charlotte (EF)	62,968	75	24,756	55
Kansas City (LISC)	136,349	39	24,049	56
Stockton (NDC)	114,266	46	23,492	57
Denver (EF)	146,972	33	22,796	59
Richmond, VA (LISC)	83,885	62	22,257	61
Sacramento (NDC)	121,571	44	18,466	65
Portland, OR (EF)	91,346	59	15,764	69
Tacoma (LISC)	42,913	88	12,688	73
Greensboro (EF)	27,563	96	9,552	78
Providence (TCB)	81,341	64	9,406	79
Worcester (TCB)	58,981	78	7,674	84
Las Vegas (NDC)	36,675	93	4,193	91

While most partnerships addressed the needs of neighborhoods of concentrated poverty in need of infusions of capital and other resources for effective revitalization, some partnerships worked in communities where poor people were disadvantaged by the prosperity of their neighborhoods. In communities such as Santa Fe, Denver, San Diego, and Los Angeles, the challenge is providing affordable housing in markets facing speculative housing prices or in neighborhoods confronted by the specter of gentrification. In others, partnerships working in county-wide locations had to contend with the disparity between central city poverty and the relative affluence found in the surrounding counties (Canton/Stark County, Lancaster/Lancaster County, Fort Worth/Tarrant County). That partnership efforts could take root and flourish in the overheated Santa Fe housing market, as well as the neighborhoods of Detroit where little market housing is constructed, is a testament to the flexibility of the housing partnership model.

Partnership models

As the varied efforts in the 50 cities demonstrate, there is no one rigid model of a housing partnership. The standard definition of housing partnerships is Diane Suchman's: "formalized, permanent arrangements among local and sometimes state governments, private funding sources, and private (usually nonprofit) development entities designed to increase production of low-income housing...achieved by systematizing and centralizing the functions common to low-income housing projects."[16]

The literature on partnerships is very limited with scant documentation and evaluation. As researchers from the General Accounting Office have noted, "partnerships are widely touted as an effective way to stretch scarce public dollars, but few attempts have been made to validate their effectiveness. Instead, claims of the successes of public-private partnerships have been based largely on anecdotal evidence."[17] At least as reflected in the membership roster of the National Association of Housing Partnerships, there may not be more than a couple of dozen operating partnerships in the U.S. However, this number grows annually. The work of the four intermediaries in this HUD program adds partnerships to the roster and adds experience that should be ripe for evaluative review.

The partnership efforts in this program demonstrate the diverse types of structures and functions that fit the public-private partnership rubric. A typology of partnerships in the HUD program yields at least the following classes of organizations:

- *Affordable housing task forces*: While not a deliverer of financing and services, an affordable housing task force helps to galvanize public attention on affordable housing, coordinate public policy initiatives, stimulate strategic planning, and involve the private sector in the housing arena. Examples include the Santa Fe Housing Roundtable, Denton's Task Force on Affordable Housing, and the housing task force established by the Mayor in Charleston. Sometimes, such task forces evolve into operating, program-based partnerships, as in the case of the Topeka Housing Partnership, which evolved from the executive committee of the Mayor's Commission on Affordable Housing; the Tarrant County Housing Partnership, which was created by the Affordable Housing Task Force of the United Way of Metropolitan Tarrant County; and the Kenosha Housing Partnership, which emerged from the recommendations of that city's Affordable Housing Task Force. As a matter of interest, a couple of task forces institutionalized themselves after coordinating the municipality's Comprehensive Housing Affordability Strategy (CHAS) research and planning.

- *Operating support collaboratives*: The operating support collaborative brings public and private sector resource providers together to provide core support funds to CDCs and enhance staff and board capacity. Operating support collaboratives linking municipal agencies with philanthropic and private resources emerged in Kansas City (Kansas City Capacity Building Program), Philadelphia (the Philadelphia Neighborhood Development Collaboration), Los Angeles (the Los Angeles Collaborative for Community Development), Richmond, CA, and Denver, among others. Further stimulating certain operating support collaboratives has been the infusion of capital from the National Community Development Initiative (NCDI), a consortium of national foundations that provided grant and predevelopment loan capital through LISC and Enterprise to support CDCs in 20 cities, some of which happened to be HUD partnership cities.[18] Besides

NCDI, key national supporters of core operating support collaboratives have been the Ford Foundation, which supported core operating assistance programs in Atlanta, Los Angeles, and Philadelphia,[19] and the United Way of America.[20]

- *Developer partnerships*: While partnerships often undertake a variety of financing and technical assistance activities benefitting CDCs (and sometimes private developers), few take on the mantle of developing housing directly. In the national arena, there are a few existing effective partnerships whose program and mission is one of significant direct development, for example, the Baltimore Corporation for Housing Partnership, BRIDGE in the Bay Area of California, the New York City Housing Partnership, and the Columbus Housing Partnership.[21] Under this HUD-sponsored effort, there were partnerships that expanded their program scope to include direct development or created new nonprofit developers with citywide (or countywide) scope to undertake development very closely linked to the partnership. Examples include: in Knox County, the Knox Housing Partnership's intended development role in FirstHome, a first-time homebuyer program; the creation of Tarrant County Homes as a "spin-off" from the Tarrant County Housing Partnership, that was capitalized with $100,000 in start-up funds with an additional $500,000 proposed for operations to undertake single-family rental development and management projects; and in Topeka, the partnership created Topeka City Homes to acquire, rehabilitate, and manage rental units, and the partnership created Cornerstone of Topeka to undertake lease-purchase housing development. Both of these Topeka entities operate "independently but in close consort with Topeka Housing Partnership."

New developer partnerships are sometimes controversial. They may be perceived by existing CDCs as competing for development resources. Successful partnerships need capable nonprofit developers to get units into the ground. In Topeka, Fort Worth, and Knoxville, the players involved believed the single-family rental stock was a part of the inventory that no existing entity was capable of handling; in these cases, creating a replication Enterprise's City Homes developer-partner model was a strategy preferable to leaving the single-family rentals in the hands of slum landlords.

The partnership-developer models mentioned here reflect narrow development scopes, limited to a particular type of development (single-family rental in Fort Worth and Topeka, first-time homebuyer rehabilitation in Knoxville, large RTC and Freddie Mac rental dispositions in Atlanta now being taken by the Atlanta Neighborhood Development Partnership, etc.). There are others that may not be the primary sponsors of the housing emerging in their communities, but they function as "shadow developers" working with CDCs throughout the development process. For example, the Greensboro Housing Partnership frequently took on shadow development roles.

- *Program-based partnerships*: These types of partnerships fundamentally serve as financiers, managing pools of government and private funds to support nonprofit affordable housing development. Very frequently, their management of loan pools is enhanced by the provision of core operating support, capacity-building training, and technical assistance to CDCs. The partnerships that evolved or already existed in Louisville, Charlotte, Jackson, Milwaukee, and San Antonio functioned primarily to guide financing and technical assistance to CDC-sponsored ventures. The key to the success of these partnerships is their ability to design loan products that meet the community's needs, match the products with needed subsidies, and identify and assist potential low-income individual or nonprofit borrowers. As program-based partnerships have systematized affordable housing finance, some have combined their private resources with governmental subsidies by administering portions of local governments' CDBG and HOME dollars. Some examples include:

- Jackson Metro Housing Partnership as a HOME subrecipient;

- Richmond (VA) LISC program administering a $3.7 million set-aside from the Virginia Department of Housing and Community Development and the Virginia Housing Development Authority for families purchasing CDC-developed homes;

- Kenosha Housing Partnership in charge of Kenosha's Affordable Housing Fund; and,

- Lynchburg Neighborhood Development Foundation carrying out Lynchburg's HOME-funded downpayment assistance program.

• *Public sector partnerships*: For several communities, "partnership" activity was limited to the intermediary working with the local government to improve its system of subsidizing affordable housing production and to relate better to community-based nonprofit developers. Enterprise's work in Trenton and Charleston[22] and NDC's assistance to the City of El Paso addressed the quality of relationships among the different players engaged in affordable housing development, not the creation of new formalized partnership institutions. In several communities, the implementation vehicles were nonprofit corporations (or quasi-public entities) established and largely controlled by municipal government to improve the flow and leverage of public sector affordable housing dollars: the Providence Plan Housing Corporation, a nonprofit established to administer a large part of Providence's affordable housing subsidies; the Housing Preservation Center in Cleveland Heights; and in large measure, the Kenosha Housing Partnership.

Organizing partnerships

What then makes a partnership work--and what are the obstacles and pitfalls that bedevil partnerships? Some lessons were learned from the HUD partnership communities. Among the 50 partnership sites, there are many successes, examples of which are found throughout this guidebook. However, there are communities where partnership efforts do not seem to have jelled. San Juan's effort to establish a housing partnership stalled in political in-fighting. Partnership building efforts in Lancaster have gathered support from lenders and local government but have not moved far beyond discussion, although nonprofits there have benefitted from the HUD supported activity. Milwaukee's existing housing partnership seems to have experienced decreased local support during the process of HUD-supported technical assistance. Harrisburg, which had a pre-existing partnership, was barely able to take advantage of the intermediary support available due to intense city-suburban conflicts. Clark County, San Joaquin County, and Bucks County partnerships have not emerged, although the intermediary TA providers have assisted individual nonprofit developers in these sites.

Six factors emerged from the partnership building experience that determine the likelihood of partnership building success: identifiable need; strong leaders and conveners; diverse boards and diverse involvement; access to funding; do-able programs; and effective resource utilization.

1. Identifiable need

The more successful partnership efforts among these localities started with a relatively clear need that the partnerships could address. Public-private partnerships are not "public goods" in and of themselves. Some, when presented with the possibility of a housing partnership, are skeptical and view the instrument as one more obstructionist, unnecessary layer of bureaucracy, increasing the distance between public and private sector funders and nonprofit developers.

Enterprise and The Community Builders conducted extensive front-end assessments of local conditions to determine not only whether there were gaps in the local affordable housing production process, but whether a partnership was the right answer and if the conditions for creating a partnership existed. Detailed needs analyses and strategic plans facilitated by The Enterprise Foundation emerged in Tarrant County, Santa Fe, Dallas, Denver, and Jackson, for example, outlining the specific issues that partnerships might address. LISC's efforts in strategic planning are exemplified by the Hilltop Homeownership Action Plan (Tacoma, Washington)[23] and the strategic plan developed for the Metro Housing Partnership (Flint, Michigan).[24]

Based on each community's assessment of its needs, the partnerships identified several typical issues that needed to be addressed:

- compartmentalized processes of housing finance, where nonprofit developers would have to go from department to department (and sometimes back and forth from public agency to private lender) to piece together the capital needed for the development process;

- deal-by-deal underwriting, where both public and private sector funders put each development project through numerous, de novo reviews rather than systematizing the process;

- hostile and suspicious public and private affordable housing financing underwriters, viewing CDCs as impediments, bothers, and sometimes incompetents, forcing community-based nonprofits in particular to face repeated challenges of their legitimacy before ever getting to the stage of packaging housing deals;

- weak neighborhood and local development capacities, compelling partnerships to emphasize the creation of new nonprofit developers and to bolster, through training and core operating assistance, the capacities of existing CDCs; and

- inefficient city government structures and processes, where government is organized counterintuitively for the purpose of maximizing affordable housing volume, and inexperienced local government staff are not particularly adept, often due to lack of exposure to the needs of community-based developers.

The most effective partnership efforts do not merely layer over existing dysfunctional governmental programs, but devise systems for making affordable housing work financially. Successful partnerships and their intermediary helpers identify dysfunctional aspects of local government housing financing to address. Established partnerships typically do not make "fixing" local government an explicit partnership function. However, the TA intermediaries recognized that without soft and deep subsidies from local government in particular, and articulated public sector goals and policies more generally, public-private partnerships will rarely succeed[25] and found that improving the public sector's role in affordable housing development was critical to their workplans.

Examples of the four intermediaries analyzing systemic governmental problems and recommending partnership-related ameliorations abound in the HUD partnership cities:

- Fort Worth's housing programs were reviewed by Enterprise's staff working with the Tarrant County Housing Partnership, yielding 28 comprehensive recommendations aimed at improving the productivity of the City's housing machinery.[26] Enterprise conducted a similar review in Dallas which also resulted in specific recommendations to improve the effectiveness of the city's housing finance programs.[27]

- Detroit LISC took a comprehensive look at the City's housing financing systems[28] as the City began to grapple with the infusion of HOME dollars, and devised a system for marketing and underwriting community housing development organization (CHDO) set-aside funds for CDC-sponsored projects. In Los Angeles, too, LISC supported a strategic review of the "patchwork quilt" of housing financing offered by public and private sector funders, resulting in the recommendations of the Housing and Community Development Coordinating Council of the 2000 Partnership Housing Task Force to streamline the City's housing financing programs, eliminate regulatory barriers, suggest the use of pension funds for affordable housing and infrastructure development, and propose the creation of an "enterprise trust fund".

- In Charlotte, Jackson, and other municipalities, Enterprise examined the construction management and cost-effectiveness of public programs. In Jackson, for example, Enterprise's recommendations were embraced by the local government, resulting in greater program efficiency and a doubling of annual production in the City's owner-occupied rehab program.

2. Strong leaders and conveners

Partnerships need effective leadership. Someone must galvanize the attention of public and private sector institutions, bring them to the table, and keep them there. While a number of these HUD partnerships involved city government officials in major roles,[29] especially since the structure of the relationship between the intermediaries and the localities occurred through the "nexus" of the CDBG entitlement program, private sector leaders were crucial to the success of most of the better functioning partnership efforts.

Private sector leadership plays a central role in all of the LISC sites, since private sector charitable and corporate funders provide the leadership to LISC's local advisory committees. Examples of important private sector support in the LISC HUD partnerships includes Detroit Edison's role in Detroit; the leadership of the Hall Family Housing, Boatmen's Bank, and other corporate players in Kansas City; and the Hewlett and Irvine foundations in the Los Angeles collaborative. Partnerships supported by the other intermediaries relied on private sector leadership for legitimacy and outreach, ranging from Hal Craddock's (from Craddock-Terry) role in the Lynchburg Neighborhood Development Foundation, Steve Renkart's (CEO of Metropolitan Industries) leadership in the Canton/Stark County efforts, to the prestige and substantive involvement of Curtis Meadows and the Meadows Foundation in Dallas and Fort Worth.

The intermediaries played the "United Way card" to great advantage in many of the 50 cities. The United Way's role as convener of some partnerships served as the glue that kept the players at the table during the turbulent partnership-formation process. Four of the LISC and Enterprise cities secured the involvement of the United Way of America's Housing Initiatives Program expressly to stimulate local United Ways to participate in local partnership efforts. In some places, the United Way role provided leadership, direction, logistical support, and program cohesion:

- As previously mentioned, the United Way of Tarrant County really started the process that ushered in the Tarrant County Housing Partnership. The United Way helped convene the task force that led to the partnership, provided staff support to the board of the partnership as it was being organized, and made a $100,000 grant to the partnership for its own operational support and for core support for local nonprofits.

- The United Way of Greater Toledo, supported by the United Way of America, provided funding and information and referral services with and through CDCs in areas such as housing counseling, day care, and job training.

- The formation of the Housing Roundtable in Santa Fe was a suggestion of the local United Way director who played a convening role, provided logistical support, and served as the first chairperson as the Roundtable was organized.

- Mile High United Way in Denver joined with the City government, the Piton Foundation, and The Enterprise Foundation to create a core operation support fund--the Housing Development Project (HDP)--and serve as a contributor and fiscal agent. Initially structured as a sub-fund of the United Way's Community Resource Building Fund, HDP may evolve into a separate fund in the United Way environment.

An early evaluation of the United Way's Housing Initiatives program[30] suggests that there has been a significant positive impact from the United Way's continuing support of housing partnerships and the growing acceptance by local United Ways of funding CDCs engaged in housing development.

Still, the experience of this partnership building effort indicates that despite the positive roles played by many public officials in these partnership efforts, strong private sector leadership appears absolutely essential to success.

3. Diverse boards and diverse involvement

Partnerships serve as an attractive vehicle to lure corporate, bank, real estate, and other private sector actors into formal, continuing relationships with a community's neighborhood development process. Generally, this is reflected in the membership of the partnerships' boards or at least in the composition of the key activists behind the partnership-building activities. All of the stronger partnership efforts among the 50 HUD cities reflected processes that mobilized a cross-section of institutions.

The key to expanding a community's support for affordable housing, however, is putting together governing boards comprised of "doers" and decision-makers, who can commit their organization's resources. The ultimate power and influence of the partnership itself is commensurate with the level of representation on partnership boards. As more and more corporations relocate their headquarters outside of central cities,[31] keeping senior corporate leaders involved in partnerships will be an increasingly difficult challenge for those involved in community development. Partnership efforts that expand their geographic scope to multicounty and metropolitan areas have the potential of reconnecting major corporations with inner city community development issues. County-wide or multi-county partnership efforts took place in Fort Worth (Tarrant County), Lancaster, Knoxville (Knox County), Canton (Stark County), and elsewhere.

The key to using resources appropriately is that partnerships must maintain a connection with the communities they are designed to serve. Corporate involvement should be balanced with voices representing low-income neighborhoods, service-providers and related constituencies. In Jackson, for example, the board of Jackson Metro Housing Partnership (JMHP) includes leaders from community-based organizations and human service providers. The partnership ensured community inclusion by creating an advisory committee composed of all CDCs in the city.

4. Access to funding

Partnerships without money do not have a lot to offer but coordination, and sometimes self-conscious efforts of coordination complicate rather than streamline. The distinction between truly effective partnerships and those that only pushed and prodded local community development institutions to do more centers on capital. Despite their relatively brief histories, some of these HUD partnerships have succeeded in amassing significant capital pools:

- Tarrant County's housing partnership portfolio is a commitment for a housing trust fund of over $1,000,000 capitalized by grants from the Carter, Tandy, Richardson, and Meadows foundations, supported by commitments of soft seconds from Tarrant County's, Fort Worth's, and Arlington's HOME programs, and Fort Worth's and Arlington's CDBG allocations. Four lenders have pledged more than $12,000,000 for mortgage financing for the initial projects emanating from the partnership.

- In nearby Dallas, lenders have committed over $50,000,000 for conventional loans through the Dallas Affordable Housing Partnership, supplemented by over $11,000,000 in soft seconds from the City's CDBG program.

- The Philadelphia Neighborhood Development Collaborative (PNDC) has over $4,000,000 in capacity-building assistance for CDCs, which LISC has supplemented by making 44 financing commitments totalling nearly $3,000,000 to 31 nonprofits for 36 affordable housing projects. PNDC's major funders include the Pew Memorial Trusts, the Philadelphia Foundation, the Philadelphia Development Partnership, and the William Penn Foundation.

- Los Angeles LISC played a key role in marshalling $7,100,000 for the Los Angeles Collaborative for Community Development. Funders include: ARCO, the California Community Foundation; the Hewlett, Hilton, Irvine, and Parsons foundations; the Times-Mirror Foundation; Great Western Financial; Security Pacific Corporation; and the City of Los Angeles.

LISC and Enterprise brought additional resources to some of these partnerships through the National Community Development Initiative (NCDI). NCDI funds have been used in these partnership cities to capitalize seed grants and provide capacity-building training, predevelopment loans, and other support to CDCs through a number of partnerships, including the Atlanta Neighborhood Development Partnership, Los Angeles LISC, Philadelphia LISC, the San Antonio Housing Trust, Enterprise's program in Denver, and the KCCAP program in Kansas City. NCDI's commitment to supporting CDCs through "umbrella partnerships" closely matched the HUD partnership-building interests and made for a natural, productive overlap of the two partnership efforts.

The inter-relationship of the factors discussed above appears in examining the partnerships success in gaining funding commitments. The combination of identified need, strong leadership, and attaining diverse partnership boards are typically present in those partnerships with broad access to funding.

5. Do-able programs

The list of program interest areas of these HUD partnerships is exceptionally broad, which emphasizes one of the weaknesses of new partnerships (or new organizations of any kind)--their inability to set priorities and to limit their initial programs. Certainly the large, mature partnerships such as the Boston Housing Partnership and others can contemplate broad program scopes because they have the track records, capital, and staffing to carry out numerous different program initiatives. That does not work for young partnerships. New partnerships should pick one area (or no more than a few) in which to concentrate rather than spreading scarce monetary and human resources trying to carry out too much too soon.

Few of the HUD partnership cities were tabula rasa settings where absolutely nothing was happening prior to the appearance of the four HUD-selected intermediaries. In many circumstances, new partnerships faced the issue of sorting out their roles with the roles of other players. The HUD-supported intermediaries frequently helped partnerships to do this, through strategic planning efforts.

Interorganizational jockeying in the contentious community development field included a situation in Denver. An initial confusion of roles was resolved by the formation of the Housing Development Program, which made the Mile High United Way the fiscal agent and the Piton Foundation the managing agent for the CDC seed moneys. In Worcester, the Worcester Neighborhood Development Collaborative failed to take hold, but many of its goals were assumed by a new partnership-type organization, Worcester Community Housing Resources, formed by consolidating the Worcester Housing Partnership, the Worcester Community Loan Fund, and parts of the Collaborative.

Another kind of sorting out occurs between housing partnerships and the CDCs they serve. There is a natural initial reaction on the part of CDCs that housing partnerships (and national intermediaries) will cannibalize local philanthropic resources that previously went directly to the CDCs for their own operating costs, without generating new dollars for local community development. Several of the partnership case studies reflect CDC/partnership tensions. Examples include CDC concerns about partnerships in Tarrant County, Atlanta, Dallas, Providence, and others. CDC apprehensions increase when partnerships take on direct development roles, ostensibly in "non-CDC'ed" areas, but potentially cutting into CDC geographic turfs and access to community development resources. These concerns are mollified through clear delineation of function and serious efforts to increase financial resources for housing and community development rather than merely reallocating existing financial support.

6. Effective resource mobilization

The striking aspect of some of the more successful partnerships among the 50 HUD cities is their creative use of a variety of public and private resources. In the NDC cities, for example, there seems to have been a great deal of use of HUD/FHA 203(b) and 203(k) mortgage assistance (for example, in Syracuse). Both NDC and LISC partnership efforts appear to have been aggressive and creative in the use of Section 108 funds for affordable housing development (successful uses of Section 108 include: the $10 million Section 108 program for homeownership in Richmond, Virginia; another Section 108 program for homeownership development in Kansas City; and, NDC's work on securing Section 108 resources for the 1800 Merchants Association's 13-unit mixed-use development in Cleveland Heights).

Trust fund recommendations abound in the HUD partnership communities. Partnerships have to get creative with public resources if they are to make a dent in inner city affordable housing problems. In most of the partnership communities, local governments dramatically increased their support of community-based development from CDBG (for example, the increase in Richmond, VA's CDBG support of CDCs from $115,000 in 1991 to over $800,000 in 1993). Local sources were allocated as well (Charlotte, Greensboro, and Santa Fe, for example).

LISC made available a substantial amount of Low Income Housing Tax Credit equity from its National Equity Fund affiliate and predevelopment loan and recoverable grant funds from its national coffers, and both TCB and NDC did a significant amount of tax credit packaging and placement. Enterprise used the syndication resources of its affiliate, the Enterprise Social Investment Corporation (ESIC), to support nonprofit housing development and leverage new resources in the partnership communities. Enterprise also helped Knox County, Tarrant County, and Lynchburg[32] in obtaining HOPE III funding commitments.

It is important to note that all of the TA providers rapidly expanded their focuses from the array of CDBG and other existing HUD tools to the HOME program as soon as HOME became a reality with the 1990 National Affordable Housing Act. Quickly, partnerships such as the Jackson Metro Housing Partnership (JMHP) and the Tarrant County Housing Partnership were designated to receive HOME funds, JMHP for non-CHDO HOME funds, and Tarrant County as a subrecipient for CHDO HOME funds. In Detroit, the LISC office helped the City design a process for streamlining the intake and processing of CHDO funding requests, modeled on LISC's own "requests for program action" that LISC uses to receive and review applications for grants and loans from CDCs in LISC cities.

Partnership problems

Good things are indeed happening among public-private housing partnerships. However, problems can undercut partnership efforts. Some examples encountered in the 50 HUD cities are:

- *Downtown vs. neighborhood interests*: In New Haven, local CDC development efforts supported by the New Haven Partnership for Community Development have had to compete with the City government's interest in large-scale downtown projects. One method of dealing with this has been to involve the CDCs and other nonprofits in the larger-scale developments, including a new high rise development slated for the Dixwell neighborhood. Doing so, while not necessarily redirecting resources, increases CDC exposure to more sophisticated development and financing sources.

- *Political transition and turnover*: It is a fact of life: mayors come and go based on the decision of the electorate, frequently for reasons that have little or nothing to do with neighborhood community development. In Portland, Maine, a shift in city priorities changed the City Council Housing Committee's focus toward property tax revaluations (with the goal of reducing taxes), a difficult context in which to argue for affordable housing support. The San Juan Housing Partnership virtually disintegrated after that city's municipal elections, particularly as the prior housing and development director of the City attempted to hold on to control of the Partnership. However, in Fort Worth, the transition from Mayor Bolen to Mayor Granger did not at all derail the partnership-formation efforts.

- *Loss of political control*: Partnership means more than coexistence. It means a real sharing and mutuality of decision-making. However, some city governments are loathe to cede substantive participation to truly independent partnerships and CDCs. As a result, they establish quasi-public and puppet nonprofit affiliates that look private but function as auxiliary units of city government. Governments capable of learning and appreciating the benefits of shared responsibilities and pooled resources will see that municipal community development goals are enhanced, not harmed, by the use of partnerships.

- *Making affordable housing a priority*: Partnerships are not wished into being. They require substantive commitment from all parties, particularly the city government. If localities do not ratchet the provision of affordable housing up the list of public priorities, partnerships will not succeed. Affordable housing as carried out through CDCs assisted by public-private partnerships needs to be up at the top of the locality's public agenda for housing partnerships to flourish.

- *Quick fixes vs. long-term solutions*: Some new partnerships face a tug of war between getting something done--and done fast--and establishing a long-term workable system for garnering and distributing resources. There is a lot of political pressure for partnerships to show quick results. Politically, that is understandable, but ultimately the rush for rapid output can take partnerships into program niches with little long-term benefit or programs that do not match community need.

- *Multiple intermediaries*: With the multiplicity of technical assistance providers on the market, it is no surprise that in some cities there are several intermediaries working on CDC capacity-building and partnership-building. While this presents potential benefits for a city, it can also represent a special challenge. The roles of multiple intermediaries must be clearly defined and lines of communications kept open. Detroit LISC's partnership-building efforts occurred with other providers--the Center for Community Change, SEEDCO, and others--also active in working on CDC development, although all seem to be cooperating successfully and not tripping over each other. Community Builders' HUD-supported work in Providence coexisted with LISC's on-going Rhode Island program activities, focusing on Providence.

- *Arbitrary program guidelines*: There is no guarantee that partnerships necessarily make wiser decisions than other players in the affordable housing field. Some of the partnership descriptions illustrate some difficult policies that do not enhance CDC productivity, for example, the policy of the Providence Plan Housing Corporation establishing per unit rehab limits that make it virtually impossible for CDCs to substantially rehabilitate deteriorated, absentee-owned properties, forcing CDCs to do only minimal, selective rehab.

Concluding Observations

The story on housing partnerships is still being written. In contrast to Boston, Chicago, Cleveland, and a few others, the partnerships formed in this project are still relatively new players in the community development arena. This HUD program helped to stimulate a body of knowledge that merits in-depth exploration. Much remains to be learned and verified, however, the HUD technical assistance contract did highlight several themes that merit continued attention from both the research and public policy communities:

- No party to affordable housing can go it alone. It is clear that partnerships--informal as well as formal--can further the affordable housing development agendas of many localities. Creating a local system of organization and finance that allows a pipeline of affordable housing production, requires significant levels of coordinated planning and resources among public and private sector funders. Successful affordable housing developments are themselves project-level partnerships, fusing multiple resources in project financing. Maintaining affordable housing pipelines requires sustained partnership relationships.

Several of the partnerships assisted under the HUD contract are, in their few years since inception, becoming critical community institutions. Partnerships in Charlotte, Portland, Oregon, and Santa Fe, for example, appear to be essential elements of their respective community fabric.

- Community-based affordable housing development is about more than bricks and mortar real estate development. CDCs in virtually all of the partnership cities have broadened their agendas to include supportive services for residents, community facilities, and public safety as integral themes in comprehensive community development. These themes clearly emerge in strategic planning efforts that the intermediaries facilitated.

- Notwithstanding the few slow or non-starters among the partnerships in this HUD TA program, the efforts demonstrated the value of national or regional intermediaries working with local partnerships. The intermediaries function as an infrastructure for attracting and distributing national technical assistance and resources in strategically coordinated ways at the community level. The HUD TA contract was one example. Another is HUD's current $20 million participation in the National Community Development Initiative, which is assisting CDCs and partnerships in nearly two dozen cities, keyed to "umbrella" partnership strategies focused on community-based nonprofit development. In addition, the intermediaries can help generate and provide resources such as seed grants, Low Income Housing Tax Credit equity, and short-term pre-development loans that cities and CDCs generally do not possess and cannot generate on their own. So long as they continue to generate a clear value added by bringing in outside resources, national and regional intermediaries such as the four participants in this HUD TA contract are important partners for local public-private partnerships.

III. Table of Public–Private Partnership Models

City/County	Affordable Housing Task Force	Operating Support Collaboratives	Developer	Program–Based Partnerships*	Public–Sector Partnerships
Atlanta, GA		X		X	
Bryan, TX			X	X	
Bucks County, PA			X		X
Buffalo, NY	X		X	X	X
Canton/Stark County, OH				X	
Charleston, SC	X		X	X	X
Charlotte, NC	X		X	X	
Clark County, NV			X		X
Cleveland Heights, OH			X	X	
Dallas, TX				X	
Denton, TX	X	X		X	X
Denver, CO		X			
Detroit, MI				X	X
El Paso, TX			X		X
Flint, MI				X	
Fort Worth/Tarrant County, TX	X	X	X	X	
Greensboro, NC	X		X		
Hillsborough, FL				X	
Harrisburg, PA			X		
Jackson, MS	X		X	X	X
Kansas City, MO		X	X	X	
Kenosha, WI	X		X	X	X
Knoxville/Knox County, TN			X	X	
Lafayette, IN	X		X		
Lancaster, PA	X				
Louisville, KY			X	X	X
Los Angeles, CA	X		X	X	
Lynchburg, VA				X	
Milwaukee, WI			X	X	
New Haven, CT				X	
Pasadena, CA				X	
Philadelphia, PA		X		X	
Portland, ME					X
Portland, OR		X		X	
Providence, RI			X	X	
Reno, NV				X	
Richmond, CA	X	X	X	X	
Richmond, VA		X		X	X
Sacramento, CA	X		X	X	
San Antonio, TX		X		X	X
San Diego, CA				X	X
San Joaquin County, CA				X	X
San Juan, PR	X			X	X
Santa Fe, NM	X	X	X	X	X
Syracuse, NY			X	X	
Tacoma, WA		X		X	
Toledo, OH		X		X	X
Topeka, KS	X		X	X	
Trenton, NJ				X	X
Worcester, MA				X	X

*Includes financing, core operating support, training and T.A.

ATLANTA, GA

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
394,017	-8%	31%	67%	2%	$22,275	$25,175	42%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
15%	$745	$422	27%	33%	37%	48%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
67%	74%	54%	35%

* See Definition of Terms

Partnership Description

The Atlanta Neighborhood Development Partnership (ANDP or the Partnership) was established in July 1991 to build the capacity of community-based organizations to develop housing and plan for economic development and support services in Atlanta's very low-income neighborhoods. Atlanta is the sixth poorest city in the country and homelessness is a considerable problem, with an estimated 6,000 to 10,000 homeless persons in the Atlanta metro area.

The Partnership was a result of a merger between the Atlanta Chamber of Commerce's Housing Resource Center (Resource Center) and the Atlanta Economic Development Corporation's (AEDC) Neighborhood Development department. Previously AEDC worked with neighborhood organizations and the Resource Center was involved in developing sources of financing for low-income housing. Working in conjunction with the Metropolitan Atlanta Community Foundation, AEDC received a grant from the Ford Foundation to assist neighborhood organizations. AEDC then contracted with The Enterprise Foundation (Enterprise) to assist in the development of the proposal and program. The combined leadership of AEDC's Hattie Dorsey Hudson, Georgia Pacific Corporation, and the Chamber of Commerce was successful in forming an effective board of directors for the new Partnership.

Atlanta's Housing Resource Center provided staff and business sector support in starting ANDP. Enterprise supplied technical support in 1991 to set up the Partnership, provided marketing assistance, and helped develop ANDP's program objectives.

Ms. Hudson and representatives of Georgia Pacific, Bell South Telecommunications, and NationsBank were very successful in raising corporate resources for program operations, grants, and housing project development and equity funds. The city, along with the Chamber of Commerce, committed $100,000 for the first two years of operating assistance for ANDP. In addition, the city committed $20,000 to support additional Enterprise capacity building technical assistance for the

Partnership, the city, and nonprofit housing developers. Ms. Hudson was hired as president of ANDP.

In early 1991, Enterprise selected Atlanta as a National Community Development Initiative (NCDI) city. Under the NCDI program, $450,000 in general operating support funds for local community development corporations and $1 million in predevelopment and construction financing for low-income housing projects were committed over three years beginning in 1991.

In 1993, Enterprise committed $22,199 to three Atlanta nonprofit housing developers under the HOME Technical Assistance (TA) to CHDOs Program. These funds may be used for operational support and/or the cost of Enterprise technical assistance for housing development, management and homeowner education. The three nonprofits are: Atlanta Neighborhood Housing Services, Inc. ($5,260), South East Atlanta Resource Center for Housing ($11,894) and University Community Development Corp. ($5,045). Initially, ANDP targeted community development corporations in six inner-city neighborhoods for new construction and rehabilitation efforts. That number expanded to 12 CDCs in 1993, and is expected to reach up to 15 over the succeeding five years. ANDP provided operational support to nonprofits and helped them access city and other financing for their projects. In addition, ANDP's board voted to establish the Atlanta Equity Fund in mid-1991 to finance low-income housing with Low-Income Housing Tax Credits.

Community Approach to Low-Income Housing

Prior to the establishment of the Partnership, there was no mechanism for the financing of low-income housing except for the Atlanta Mortgage Consortium (AMC), which provided financing for single-family homeownership. Limited predevelopment financing was available through an organization called SERV, which has ceased originating loans. The city used only 20 percent of its CDBG funds for housing, providing limited financing which nonprofits found difficult to access. In addition, there was no consistent source of permanent financing for affordable multifamily rental housing.

Role of Partnership

ANDP provides project specific technical assistance to nonprofit housing development organizations and has jointly developed two housing projects with nonprofits. ANDP provides planning and operating grants to nonprofit groups with funds received through NCDI, the Ford Foundation and other sources. ANDP also acts as a catalyst for new approaches to solving the problems of poverty and is becoming a full-service local intermediary.

Between 1991 and 1993, the Partnership developed a stronger relationship with the City of Atlanta by working as a technical assistance provider with Enterprise under the HOME TA to CHDOs Program, which entails assisting nonprofits to develop low-income housing with federal HOME funding. ANDP established the Atlanta Neighborhood Development Loan Fund in 1991 as a source of predevelopment and limited construction financing. As of 1993, permanent financing for multifamily rental development was still negotiated with lenders on a deal-by-deal basis.

ANDP has since been successful in fund-raising for the grant fund, the loan fund, and its own operational funds. In fact, in early 1991 the organization received a Woodruff Foundation organizational grant of $100,000 and later received an additional $2.5 million. Other grants made to ANDP included $210,000 from Fannie Mae and $500,000 from the United Way. ANDP's housing development fund is currently capitalized at $7.85 million. The Atlanta Housing Equity Fund was established with $6 million in corporate commitments to provide equity for affordable multifamily rental housing development.

ANDP and Enterprise work to develop public and private support for the Partnership, including NCDI support. As of June 1993, ANDP and Enterprise had disbursed $225,000 in NCDI grants and committed a $284,100 NCDI construction loan for a 29-unit project.

Under the HUD Public-Private Partnership Program in Atlanta, the ANDP board established a Low-Income Housing Tax Credit equity fund with Enterprise's technical assistance. The Enterprise Social Investment Corporation (ESIC) is co-general partner and committed $3.6 million in equity to the fund for four housing projects (201 units). ESIC also financed a 209-unit project, providing $1,919,113 in equity.

ANDP also conducted training in housing development and business planning for nonprofit groups and provided technical assistance on organizational development to build nonprofit organizations' housing production capacity.

The Partnership in Atlanta has raised the visibility of affordable housing and community development with city government and corporations throughout the Atlanta community. Affordable housing is now broadly considered a critical component of the future health of the community. ANDP provided the foundation and nurtured the creation of a credible community development corporation sector in Atlanta. The production capacity of local nonprofit developers increased dramatically between 1991 and 1993. By the end of 1993, seven nonprofit groups were proceeding with plans for the development of 600 units of affordable housing.

BUCKS COUNTY, PA

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
541,174	--	95%	3%	2%	$43,347	$48,851	10%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
5%	$1,018	$604	4%	18%	72%	23%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
37%	37%	28%	20%

* See Definition of Terms

Partnership Description

Bucks County is a diverse county with significant affordable housing needs and modest capability to address those needs. However, a series of forces--supportive local officials, nonprofit developers that were increasing their activities and effectiveness, and an environment of increasing resource potential with the HOME program--created an opportunity to address these needs.

During the assessment phase of the HUD Public-Private Partnership program, The Community Builders (TCB) determined that there would be no attempt to organize a new affordable housing institution or partnership in Bucks County. The major need was to provide project-specific technical assistance directly to individual community organizations to help them produce additional housing, which would build the local nonprofit production system more than anything else.

HUD Public-Private Partnership funds were used by TCB to provide project development technical assistance to Better Homes, Inc. (BHI), a community-based nonprofit corporation, for two of its projects. In addition, TCB assisted Galilee Village, Inc. (GVI) in its effort to build a service intensive, supportive housing component for its elderly housing mission. The HUD funding also enabled Bucks County to leverage substantial amounts of funding from public funders and private equity investors.

Role of Partnership

Since its inception in 1975, BHI used public and private funding to operate a program in Bristol Township and Bristol Borough, Bucks County, to acquire and rehabilitate seriously deteriorated, vacant houses for resale to lower-income families. Through the acquisition and rehabilitation of 70 such houses, BHI assisted in stopping the decline of targeted low-income neighborhoods, stimulating private investment, and providing subsidized homeownership opportunities to lower-income families.

Unfortunately, homeownership was not a realistic possibility for those families in the lowest income level. However, BHI developed the Affordable Housing Alternative Project to build organizational capacity to develop affordable rental housing while continuing to provide affordable homeownership opportunities.

With the assistance of Regional Housing Legal Services (RHLS), BHI embarked on its first new construction rental housing project, a 15-unit development for low-income families called Silverlake Plaza Apartments. Through the HUD contract, TCB assisted BHI and RHLS in restructuring the financing of Silverlake Apartments by securing Low-Income Housing Tax Credits and syndicating the project. These apartments were completed in the winter of 1993, immediately rented up, and won the first "Pillars of the Community Award" from the Federal Home Loan Bank of Pittsburgh. Its success created tremendous momentum and a greater level of support for the next rental housing project, Towpath Apartments.

Towpath was a vacant and deteriorated building in a well-kept, middle-income neighborhood of Morrisville, Bucks County. Under the HUD contract, TCB assisted BHI and RHLS to substantially rehabilitate the building and produce 17 two-bedroom units for low-income families.

The completion of Silverlake Plaza and the progress made on Towpath Apartments pushed BHI to a new level of professionalism and competence as a rental housing developer and manager. At the end of 1993, BHI managed 28 rental units and will manage 17 more upon completion of Towpath. BHI's approach to management includes firm enforcement of project rules tempered by sensitivity to residents' social problems. Residents are offered assistance and a supportive services reserve fund was established as part of the Towpath House's financing. TCB was making arrangements to continue assisting BHI with housing management.

GVI, another housing nonprofit in Bucks County assisted by TCB, developed 120 units of housing for the elderly in the late 1970s. Because the residents of this housing were becoming older and more frail, Galilee Village began planning additional elderly housing with a more supportive living environment and obtained substantial funding commitments for a 50-unit project. These funding commitments included seed money from the Pennsylvania Department of Community Affairs, CDBG and HOME funds from Bucks County, and funding for both project construction and operating subsidies from HUD's Section 202 program.

In summary, BHI's and Galilee Village, Inc.'s success has enhanced the credibility of nonprofit housing producers as developers of affordable housing in Bucks County. As a result of TCB's efforts, involvement of public and private actors in providing financial assistance to community groups expanded. This will have long-term value not only to the specific community groups that carried out these activities, but to the public and private actors involved in funding them.

BUFFALO, NEW YORK

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
328,123	-9%	65%	31%	5%	$18,482	$23,887	34%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
10%	$544	$352	26%	81%	39%	51%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
74%	68%	60%	34%

* See Definition of Terms

Partnership Description

The Buffalo Metropolitan Housing Partnership (Buffalo Partnership) of Buffalo, NY, was incorporated in February, 1993. The mission of the Partnership is to "...increase the supply of decent, affordable, low-moderate income housing in the Buffalo area, and enhance and supplement existing community-based and citywide housing and neighborhood revitalization initiatives."

The New York City Housing Partnership (NYHP), under contract with The Enterprise Foundation, completed an assessment of Buffalo's affordable housing needs and conditions in August 1991. Since 1980, Buffalo has lost 16,000 homes and apartments to abandonment and demolition. Substandard housing accounts for 50 percent of owner-occupied homes and 53 percent of rental units. In July of 1992, participants in the city's housing development efforts began a strategic planning process with the assistance of NYHP, which included meetings with members of the Common Council, a state legislator, private lenders, state and city housing officials, a western New York utility company, and the local United Way. Discussion focused on the need for an independent housing partnership entity to help implement the housing component of the City's redevelopment plans. The immediate outcome of these meetings was the creation of a 16-member Housing Partnership Task Force that put together the strategic plan, organized the housing partnership, and attracted public and private commitments to enhance and supplement existing community-based housing initiatives. The Task Force included representatives of local nonprofits, the city, law firms, banks, real estate agencies, and the State University of New York at Buffalo.

Technical assistance in setting up the Buffalo Partnership was provided by the Housing Partnership Development Corporation (HPDC), a subsidiary of NYHP. HPDC facilitated the Buffalo Partnership board and staff meetings and strategic planning discussions. In addition, Enterprise provided the Buffalo Partnership with an overview of successful housing partnership models and addressed the role the Partnership could play in elevating the visibility and credibility of affordable housing issues in Buffalo. Enterprise also encouraged the Buffalo Partnership to develop a relationship with the city's many nonprofit organizations. Local nonprofits that were involved in the local partnership building effort included the local Neighborhood Housing Service programs and the Legal Services Housing Clinic, which provided advocacy and technical advice to the Partnership.

Additionally, the city committed $20,000 to support additional Enterprise capacity building technical assistance for the Buffalo Partnership, the city, and nonprofit housing developers.

BMHP's 25-member interim board of directors represented Buffalo's government, private business, civic, professional and nonprofit sectors. Private-sector board representatives took the lead in raising operating funds for BMHP. In addition, in 1993 the board pursued an affiliation with the Greater Buffalo Partnership (GBP), the primary local business and civic organization. The intention was for GBP to sponsor and support the Housing Partnership in advocacy, leadership development, public relations and program activities and to assist in the recruitment of a permanent 15-20 member board.

BMHP was created to work with the City, serving as a non-partisan resource that would mobilize needed technical and financial support as well as the political will to put community development and housing needs at the forefront of the local agenda. The Partnership planned to provide technical expertise and program development capacity to support city and regional housing initiatives by acting as development partner, financial/development intermediary, public policy advocate, and technical assistance provider. BMHP also intended to address public/private sector investment in housing development, neighborhood planning and development, technical and financial support for community-based organizations, and opportunities for expanded minority participation in the affordable housing industry.

Community Approach to Low-Income Housing

Historically, the city's budget and planning functions had not made housing and neighborhood development a priority. Poorer neighborhoods, primarily black and Hispanic, felt their interests were not well represented by the city's power structure and budget priorities. In addition, local community development corporations, which were generally weak, felt that the city was not responsive to their needs.

The city lacked a coordinated citywide or neighborhood planning approach for the development of affordable housing in Buffalo. The construction of new, affordable housing in Buffalo had been spearheaded by the city in concert with private builders using state subsidy and CDBG funds to reduce home buyer mortgages resulting in some 600 low-cost homes over a five-year period in the late 1980s to early 90s.

Although community-based organizations successfully rehabilitated a few properties on an ad hoc basis with layers of public subsidy funds, this did not occur in a coordinated manner or in a way that successfully used or leveraged private sector resources.

Role of Partnership

The Buffalo Partnership planned to work with Mayor Masiello, who took office in January 1994, to develop a more systematic and effective approach to housing and community development. The interim board of the Partnership identified a pipeline of housing developments to be reviewed to determine how additional resources and professional support could remove any barriers to the production of affordable housing. In addition, in mid-1993 the Buffalo Partnership prepared a six-month interim and a three-year operating budget that estimated first year expenses at $152,800. The Partnership also helped the city in 1993 to secure funds from New York State for housing subsidies.

At the same time, the Partnership planned to review all the public funding currently and potentially available to meet the city's housing and neighborhood revitalization needs and to build consensus among city opinion leaders with respect to the most effective application and promising areas of expansion of these resources. A primary focus of the Partnership in the future would be to enhance the capacity of community-based organizations by offering to join with them as development partners, leveraging private funds currently inaccessible to community-based organizations and providing needed technical assistance.

The development of the Partnership was slowed due to the change in city administration, but the final board members were being recruited in late 1993. High expectations for increased capacity and financing opportunities for affordable housing production continues.

CANTON/STARK COUNTY, OHIO

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
84,164 367,585*	-13% -3%	83% 92%**	16% 9%**	1% .66%**	$19,807 $27,852**	$25,177 $32,800**	25% 14%**

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
8% 5%**	$451 $557**	$298 $356**	21% 11%**	62% 38%**	53% 67%**	39% 28%**

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
77% 71%**	63% 47%**	54% 38%**	36% 28%**

* See Definition of Terms
** Indicates County Data

Partnership Description

Stark County Out of Poverty Partnership (SCOPP) was formed in 1991 from an existing partnership which assisted families and individuals out of poverty through the coordination of supportive services for low-income residents. The components of the existing partnership had different purposes and were at different stages of development in 1991.

The Enterprise Foundation (Enterprise) prepared a concept paper in January 1991 for a private group in Canton that recommended adding an affordable housing component to the existing partnership's family development, job training, and employment components.

As part of the HUD Public-Private Partnership, Enterprise began work in May 1991 to implement this concept by providing technical assistance in laying the groundwork for SCOPP's organization and activities. Part of this assistance included helping the city with strategic planning for the Partnership's structure and financial resources. The city, The Stark Foundation, and Society Bank all expressed interest in providing funding for a partnership. The city committed $20,000 to support additional Enterprise capacity building technical assistance for the Partnership, the city, and nonprofit housing developers.

Role of Partnership

In 1991, Enterprise helped to organize the board of directors, created a mission statement and goals for each partnership component, assisted the city with its Comprehensive Housing Affordability Strategy (CHAS), and secured a commitment for all of Canton's HOME funds to be funneled through SCOPP.

Enterprise began a strategic planning process in 1992 with human services providers in the city. Specific activities included determining operating definitions of SCOPP and what those definitions mean in terms of the target population, type of services to be provided, and the resources available to support the partnership.

Through the Cleveland Housing Network, Enterprise worked in 1992 with the Canton YMCA, which considered developing a transitional housing project for victims of domestic violence. In addition, the Mayor submitted an ordinance to the City Council to grant the city's HOME funds to SCOPP.

In mid-1992, SCOPP completed its first-year plan which outlined its mission, structure, financing, budget considerations, and recommendations for future planning. By the end of 1992, SCOPP had moved into organizational and resource development. During this period, Enterprise provided recommendations to the board of directors on staffing, capacity evaluations, and existing and upcoming federal initiatives to aid communities affected by conditions of poverty.

In 1993, Enterprise advised the executive director of SCOPP on organizational growth and also provided project-specific technical assistance on CDBG- and HOME-supported projects by assisting SCOPP in dealing with blending funds from different sources.

At of the end of the HUD Public-Private Partnership program, SCOPP showed promise as a coordinator of affordable housing services in Canton/Stark County. Canton/Stark County had achieved its organizing objectives, consolidating Stark County's several human services based out-of-poverty programs into a single coordinated effort and complementing that with new housing finance and development activities. The comprehensive approach is emerging as a model. SCOPP's program design has the potential to be one of the most successful efforts at integrating housing and human services.

CHARLESTON, SC

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
80,414	13%	57%	42%	1%	$25,153	$32,212	27%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
10%	$788	$428	21%	32%	43%	46%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
69%	50%	42%	32%

* See Definition of Terms

Partnership Description

Charleston Affordable Housing (CAH or the Partnership), of Charleston, SC, was formed in 1990 as a result of recommendations of the Mayor's Council on the Homeless and Affordable Housing and the perceived need to create a citywide nonprofit housing developer. Although Charleston's historic buildings and design requirements, resulting in a large tourism industry, have been major assets for the local economy, they have played a role in the current affordable housing crisis, fueled by low wages and close to 3,000 substandard dwelling units. While Hurricane Hugo destroyed a significant amount of housing in 1989, it also focused public attention on the expanding affordable housing problem as well as substandard living conditions.

The Partnership was originally chaired by the director of the Charleston Housing Authority. Other board members represented the banking, corporate, nonprofit and neighborhood organizations. The board felt strongly that neighborhood improvement, primarily through small scale neighborhood-based infill housing, should be the focus of the organization. Scattered site development restricted their ability to play a larger role in the Mayor's stated goal of rehabilitating 1,800 units in four years.

The Partnership's operations were initially supported with a $50,000, two-year grant from the Trident Community Foundation and $50,000 in Community Development Block Grant (CDBG) funds from the City of Charleston for predevelopment activities for each of three housing projects. To further support the nonprofit's initiatives, the city provided an additional $50,000 for operating costs. Furthermore, to support an additional housing development staff person, HUD is providing $50,000 over three years through the HUD Technical Assistance to CHDOs program. Additional operating funds are generated through developer fees and fund raising. Computer and office equipment and furniture were all donated to the Partnership by private sector sources, and a local architect provided initial xerox, postage, fax, and secretarial help to CAH.

In its first three years, CAH focused on rental housing (new construction and rehabilitation), but the organization plans to provide affordable homeownership opportunities in the future. Much of the initial success of the Partnership was due to a strong, experienced executive director who was hired in May 1992 and the support of the city's Community Development Director.

As the intermediary in Charleston, The Enterprise Foundation (Enterprise) provided technical assistance for the Partnership, local nonprofits, and the city. In addition to HUD's Public-Private Partnership support, the city committed $20,000 to support additional Enterprise capacity building technical assistance for the Partnership, the city, and nonprofit housing developers. In particular, Enterprise assisted with strategic planning, facilitated meetings with local banks concerning the formation of a bank consortium, and provided intensive project related technical assistance and board training for CAH. In April 1991, Enterprise completed an assessment of the housing needs, programs, and public-private partnership opportunities for Charleston.

Community Approach to Low-Income Housing

Prior to the HUD Public-Private Partnership program, the city and its public housing authority were dedicated to putting CDBG dollars and other resources into low-income housing rehabilitation and construction. However, production was limited by high land prices, rising rehabilitation costs, historic requirements, and sizeable per unit subsidy needs. While the city's Community Development Department was a major producer, particularly in home owner rehab, there were few private-sector developers of low-income housing due to strong pre- and post-Hugo housing markets. Local nonprofits, which include Charleston Neighborhood Development Corporation and Habitat for Humanity, struggled to produce a very limited number of affordable housing units. Volunteers of America has been producing a project every two years, primarily for low-income singles. However, at the onset of the HUD Public-Private Partnership program in 1991, Charleston's housing leaders were coalesced to create sustainable public-private partnership efforts to raise the volume of and augment the resources devoted to low-income housing.

Role of Partnership

CAH has emerged as the primary nonprofit producer of affordable rental housing in Charleston, tapping previously unused state and federal resources and moving projects quickly through the local development process. Between 1991 and 1993, CAH obtained and renovated a house for sale to a first time homebuyer. During this time, CAH also constructed and rented its first 10-unit rental project, began construction on a third scattered site rental project, obtained full financing for a fourth new construction program project, and obtained substantial financing on a fifth and sixth project. With the city's assistance, CAH met substantial zoning, building and historic requirements, including conducting eight public hearings and various government agency reviews for an historic project. To date, Enterprise has committed two construction loans, and has committed equity to three of the projects.

CAH has proven to be adept at packaging financing for its projects, using support from area foundations and churches, the Federal Home Loan Bank's Affordable Housing Program, state and city HOME funds, the state Housing Trust Fund, Low-Income Housing Tax Credits, and CDBG money. Initially, the Partnership was less successful at local fund raising for operations outside of local government and foundation support, but the board has increased activity in this area recently.

In mid-1992, in an effort to increase mortgage lending for low-income persons, Enterprise and city staff met with 10 local lenders who agreed to establish a consortium to lend to first-time home buyers at 1/2 percent below market rates. In early 1993, Enterprise helped develop draft guidelines for the new program and helped the city prepare a market study, and later in 1993 assisted in negotiations for consortium approval by the U.S. Comptroller of the Currency. Working together, ten lenders committed $7.5 million to the first-time homebuyer program and contributed $10,000 toward staff operating support. The City committed another $40,000 for consortium operations to be housed at CAH. The consortium has recently begun processing loans under this program.

The Enterprise Foundation assisted CAH with its financial, governance, and administrative functions during the HUD Public-Private Partnership program. For example, in early 1993 Enterprise helped CAH apply for the Federal Home Loan Bank's Affordable Housing Program. Enterprise also assisted CAH in creating its own internal budgeting and draw-tracking system for projects during construction. Furthermore, the Foundation provided technical assistance to the Partnership on tax credits and financial pro formas. Enterprise staff led a strategic planning retreat in late 1993 for CAH to encourage board development resulting in the recruitment of three new board members, the formation of several board committees, and development of a board sponsored fund-raising plan.

In 1993, Enterprise committed $67,750 to Charleston Affordable Housing under the HOME Technical Assistance to CHDOs Program. These funds may be used for operational support and/or the cost of Enterprise technical assistance for housing development, management and homeowner education.

The Foundation was also integral in providing assistance to the City. In mid-1993 Enterprise worked with the city with a mix of HOME funds and tax credits, and provided ideas on restructuring the city's housing and community development division. At the city's request, Enterprise led strategic planning sessions among Charleston's affordable housing players, which included bankers, zoning officials, nonprofits, and architects, to set housing production goals, identify obstacles to production and plan mechanisms for reducing such obstacles.

Other assistance Enterprise provided under the HUD Public-Private Partnership program included training to local nonprofits on the role of the board of directors and providing technical assistance to Palmetto Pathways, a mental health association, on a proposed Section 8 Moderate Rehab project. In addition, Charleston received funding from The Enterprise Social Investment Corporation (ESIC). ESIC provided $680,000 in equity to finance a 13-unit project and is currently providing $1.19 million in equity for a 22-unit project.

The CAH Partnership has been successful in increasing affordable, low-income housing production in Charleston. To date, production has occurred on the Peninsula where the housing stock is characterized by low-rise historic structures. In the future, CAH hopes to undertake homeownership projects in outlying areas of the city at lower per unit costs. CAH also plans to form partnerships with social service agencies and neighborhood groups.

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
395,934	21%	66%	32%	1%	$31,873	$38,553	21%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
7%	$755	$462	10%	14%	51%	42%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
52%	45%	36%	22%

* See Definition of Terms

Partnership Description

Charlotte-Mecklenburg Housing Partnership, Inc. (CMHP or the Partnership), of Charlotte, NC, a nonprofit housing development corporation, was created in July 1988 to expand affordable and well-maintained housing opportunities for low- and moderate-income families. Although Charlotte's private sector housing producers were developing new housing, they could not economically serve families below 80 percent of the median family income or create housing opportunities in the city's distressed neighborhoods. Approximately 10 percent of the city's residents were below the poverty level, which created the need for approximately 5,000 units with rents below $210 per month. Many inner city neighborhoods were characterized by housing in need of major rehabilitation and limited retail services.

The driving force behind the creation of the Partnership was a city-county task force. Its findings on the metro area's housing issues were brought to the attention of the area's lending institutions. As a result, a group of major banks headquartered in the city initiated the creation of a loan consortium dedicated to financing housing opportunities for low- and moderate-income families throughout Mecklenburg County. However, the banks recognized the need to create a nonprofit organization that could use the financing to develop the needed housing.

CMHP has an active, 23-member board that meets monthly. In addition to the banks, the board includes representatives of developers, businesses, utilities, investors, city and county governments, civic and religious groups, local nonprofit organizations, and neighborhoods in which CMHP is undertaking comprehensive revitalization efforts. The board of directors has made CMHP performance driven and results-oriented. They are challenged by the city's desire to at least double the amount of available affordable housing units.

Financial institutions continued to be key players in the success of the Partnership, making significant financing available through a $17.5 million loan pool. This strong private sector backing encouraged the city government to provide $2.0 million (most of which was from local, not federal, sources) annually to the Partnership, more resources than might otherwise be committed. Thus

CMHP's efforts were rarely impeded by financial constraints or delayed by federal programmatic requirements.

CMHP placed special emphasis on enabling their residents to fully enter the economic mainstream. The organization viewed rental housing as a transitional stage for most low-income families. Its social service and counseling programs required families to enter job training and education programs that will enable them to make the transition from renting to homeownership. The Partnership did not venture into activities beyond housing and related support services. It undertook a mixture of rehabilitation and new construction, both in targeted inner-city neighborhoods and throughout the county as opportunities presented themselves.

Community Approach to Low-Income Housing

Prior to the establishment of the Partnership, there were three active nonprofit or public housing developers: a very productive chapter of Habitat for Humanity, a Neighborhood Housing Services program, and the Charlotte Housing Authority.

The city had committed significant funds from its own general revenues to build and operate over 300 units of affordable housing. It limited multifamily projects to 50 units or less, a policy which is credited with having a positive impact upon both the residents and the surrounding neighborhoods. These units were dispersed throughout Charlotte, generally in suburban settings. Recently, Charlotte has focused its CDBG and HOME funds on revitalizing distressed "city within a city" neighborhoods.

Role of Partnership

City leaders believed that the formation of the Partnership would at least double the annual production of affordable housing units. The Charlotte-Mecklenburg Housing Partnership became a major developer of both rental and ownership housing, the city's homeownership counseling agency, and a specialized lender for low-income home buyers. By 1993, CMHP had begun turning around two of the city's worst neighborhoods, performing a role which none of the private or public entities could have undertaken on their own.

As a developer in Genesis Park, CMHP acquired and is scheduled to rehabilitate approximately 42 percent of the existing structures for both resale and rental to low-income families and to construct 45 new single-family homes on vacant land in the adjacent census tract. CMHP has been able to coordinate the efforts of the police department, social services providers, city housing staff, churches and volunteers in one of America's most dramatic examples of community revitalization.

In Seversville, the Partnership acquired a number of older, substandard dwellings and, through selective rehabilitation, has created homeownership opportunities. Of these, several houses are maintained as affordable rental properties. CMHP also built a new 45-unit apartment complex on an old school site, and is now beginning to create homeownership opportunities.

In becoming a specialized lender for low-income home buyers, CMHP was able to blend public subsidy and private funds to finance low- and moderate-income families that would otherwise not be able to afford homeownership. The Partnership developed a strong education and counseling program, which is crucial to the families' success. The declining neighborhoods targeted by this financing have seen an increase in both the homeownership rate and the quality of the housing stock.

The Partnership significantly expanded the amount of funding available for low- and moderate-income housing. Lenders capitalized its loan pool with $17.5 million. In addition, the city provided approximately $2.0 million annually for deferred second mortgages on homeownership properties and investment in various other approaches to affordable housing. CMHP also provided predevelopment and construction financing for both its own developments and also for other producers of low- and moderate-income housing in Charlotte.

With support from the HUD Public-Private Partnership program, The Enterprise Foundation provided extensive technical assistance and training for community-based nonprofit developers. CMHP committed $20,000 of its city money to support additional Enterprise capacity building technical assistance for itself, the city, and other nonprofit housing developers.

Enterprise's primary contribution was to assist the Partnership staff to restructure rehabilitation and construction activities, enabling CMHP to significantly increase its scale of production. The Foundation's Rehab Work Group installed SPECMASTER construction management software and trained the staff on its operation. Other assistance provided by Enterprise included advice on housing finance, coordination of local housing groups, and technical assistance on CDBG, HOPE, and HOME, as well as other development issues. Enterprise assisted in structuring developer fees to help support CMHP operations and in hiring additional staff, which grew from four employees in 1991 to 15 employees in 1993, with plans to grow to 25 in 1994.

In 1993, Enterprise committed $16,283 to Belmont Community Development Corporation under the HOME Technical Assistance to CHDOs Program. These funds may be used for operational support supplemented by Enterprise technical assistance for housing development, management and homeowner education.

The Partnership also accomplished the following in its first five years: construction of 40 new single family houses and 47 multifamily rental units; and the acquisition and rehabilitation of 74 homes for homeownership and 38 for scattered-site rental. (Most of the new units were built during 1991-93, during the HUD Public-Private Partnership program.) CMHP also provided financing for an additional 180 units of multifamily rental housing and, by the end of 1993, had approximately 255 additional units in predevelopment stages. In 1993, CMHP expanded its focus to work with five neighborhood community development corporations (which had emerged since CMHP's creation) to increase the supply and resources for low-income housing, particularly in outlying neighborhoods. The Partnership had significantly improved both the scale and sophistication of its operations. Its ability to make dramatic changes in Charlotte's worst neighborhood was due in no small part to city government's willingness to provide significant amounts of local financial resources. This local funding was very flexible and enabled CMHP to take the necessary actions to redevelop Genesis Park and undertake other projects in a timely and economical manner.

CLARK COUNTY, NV

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
741,459	--	81%	10%	11%	$30,746	$35,172	16%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
10%	$818	$516	10%	3%	47%	44%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
46%	47%	37%	24%

* See Definition of Terms

Partnership Description

The goal of the HUD Affordable Housing Program in Clark County, NV, which includes the city of Las Vegas, was to bring together county nonprofits, county and state housing program staff, and lenders to increase the amount of affordable housing in the County. There is a severe affordable housing shortage due to the influx of retired citizens and low-wage service employees. The vacancy rate in affordable housing is close to zero, and average 1993 rents have risen more than 250 percent since 1988. In addition, land prices are soaring and public infrastructure is inadequate. The lack of water availability in rural areas hinders affordable housing development.

The National Development Council's (NDC) role under the HUD Public-Private Partnership Program was to provide technical assistance as requested by the county and local nonprofit housing developers. NDC provided technical assistance in 1991 to the newly formed (1992) Nevada Community Reinvestment Corporation (NCRC), a multi-bank community development corporation which provides capital through its members for affordable housing development.

The county's affordable housing goals were:

- building transitional housing facilities in the urban county;
- developing a first-time home buyer program;
- providing incentive packages for developers that build affordable housing; and
- developing border town housing and more urban housing units.

Community Approach to Low-Income Housing

The Clark County government made available HOME and CDBG funds ($1.5 million and $1 million annually) for affordable housing development, but has not engaged active leadership from the private sector. Clark County lenders have historically been very cautious about affordable housing lending. Outside of the Housing Authority, there are few experienced nonprofit developers, and they produced a marginal number of units per year prior to 1991. There has not been a history of these different sectors working together to produce affordable housing for low-income families in Clark County.

Role of Partnership

Technical assistance, as requested by the county staff and local nonprofits, was provided by the National Development Council. NDC staff assisted the county by reviewing nine project applications for HOME funding, seven of which were approved by the County Community Development Action Committee in 1992. NDC also assisted the Women's Development Center in 1991 during the predevelopment stages of an eight-unit multifamily development.

A two-day affordable housing development finance training session was held on July 29-30, 1992. NDC staff provided the training, which was co-sponsored by the Las Vegas Housing Authority, Clark County and the City of Las Vegas. There were 29 participants. This training resulted in additional capacity for nonprofits.

Although Clark County hired a housing professional to help bring the various partners together to create an affordable housing development system, necessary active leadership never emerged to successfully establish a housing production system in a community with little history of low-income housing development. This lack of leadership combined with local lenders' lack of affordable housing experience, resulted in little progress between 1991 and 1993 toward the goal of establishing an effective public-private affordable housing partnership.

CLEVELAND HEIGHTS, OH

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
54,052	--	60%	37%	1%	$36,043	$43,541	19%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
4%	$784	$489	8%	74%	60%	36%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
39%	40%	31%	23%

* See Definition of Terms

Partnership Description

The city of Cleveland Heights, OH, has been the motivating force between an informal partnership of a city-established nonprofit, the Housing Preservation Center; a private nonprofit, FHC Housing Corporation; realtors and local lenders. City staff met monthly with the FHC, which focuses on homeownership counseling and single-family housing development. The city's Local Development Company also worked closely with residential neighborhoods through its assistance to businesses on commercial strips. Reactivation of the Housing Preservation Center occurred in 1992 with the hiring of a full-time director using city funds. The city-appointed advisory Housing Preservation Committee (HPC) had developer and lender representation. This organization met monthly and provides acquisition and rehabilitation of distressed properties. These various local players formed partnerships focused on specific goals: stabilizing neighborhoods; turning vacant properties over quickly; and renovating single-family and multifamily housing.

The informal partnership in Cleveland Heights was created to provide homeownership opportunities for moderate-income buyers moving from apartment living in the Cleveland area to this older suburb near the city. Funds for renovation came from Community Development Block Grant (CDBG) monies. $817,920 was allocated in 1993. FHC receives operating funds of $161,135 annually from the city as well as support of $41,524 annually from donations, private foundations and churches. The main focus of FHC was counseling, maintenance training and loan assistance to existing low- and moderate-income homeowners to preserve the value of their homes. Under the new partnership, FHC expanded its role to undertake acquisition and renovation of vacant units using contributions from banks and local organizations.

Community Approach to Low-Income Housing

The city's approach, prior to 1991, was the rehabilitation of multifamily buildings, particularly two-family houses for small families. The Apartment Renovation Rebate Program and the Heights Home Improvement Program were initiatives targeted to two neighborhoods with a large percentage of moderate-income renters.

The city provided around $800,000 annually for housing rehabilitation and acquisition programs through CDBG.

The role of lenders prior to the partnership activities was very limited. A lump sum deposit program was initiated in 1988 to encourage housing rehabilitation but was not very well utilized.

Prior to 1991, there were 2 nonprofits in Cleveland Heights producing approximately 21 units per year of affordable housing.

Role of Partnership

The city's partnership with the Cleveland HUD office, FHC, NDC and neighborhood groups produced three things: a 27-unit rental project with 13 units reserved for low-income families; establishment of a process to analyze FHA properties for acquisition and rehabilitation by the Housing Preservation Center; and an ongoing city support program for nonprofits, including $181,620 in funding for FHC and HPC, and the provision of training in housing development and finance through NDC.

CDBG funds for a major commercial/residential project completed in 1993 included a HUD Section 108 loan guarantee for $700,000 and a $475,000 CDBG float loan. This project, developed by the 1800 Merchants Group, provides 13 low- and moderate-income rental units plus commercial space on the first floor. This 1800 Merchants Group project received three NAHRO Awards for Excellence in 1993 for Merit in Economic Impact, Program Innovation and Community Development.

NDC assisted the Housing Preservation Center to analyze available FHA properties. One property was purchased, rehabilitated and sold by the end of 1993. NDC staff participated in the local HUD Study Group, made up of Cleveland area nonprofit groups and city staff, which analyzed issues surrounding delays and other problems with the resale and re-use of vacant single-family properties owned by FHA, VA, RTC, etc. A report and oral presentation was made to HUD in August 1993 in an attempt to improve the federal disposition process.

The City of Cleveland Heights provides over $180,000 in financial support to two nonprofit housing groups annually with CDBG funds. The city now provides $278,000 annually through the Housing Preservation Center program for single-family housing rehabilitation.

NDC also provided housing development training to FHC staff in 1991, and training for other nonprofit and city staff in Cuyahoga County in 1993. Evidence of the increased capacity of local nonprofit housing developers includes the first home FHC purchased and renovated for a low-income family. Cleveland Heights nonprofits produced 23 units of affordable housing in 1993.

Local lenders have increased affordable housing lending as a result of partnership efforts as evidenced by the $300,000 loan from a local lender for the mixed-use (housing and commercial) 1800 Merchants Group project.

Ongoing partnership activities are likely to continue between lenders, nonprofits and Cleveland Heights city officials. The Housing Preservation Center is investigating a new, CDBG funded, low-interest loan program to finance housing rehabilitation. If this program proves successful, HOME funds for rehabilitation of multifamily rental projects will be used.

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
1,006,877	10%	55%	29%	20%	$27,489	$31,925	23%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
14%	$772	$426	18%	16%	38%	48%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
51%	56%	48%	26%

* See Definition of Terms

Partnership Description

Led by The Enterprise Foundation, the City of Dallas, Dallas County Home Loan Counseling Center, and Fannie Mae, the Dallas Affordable Housing Partnership (DAHP or Partnership) was established in 1991 as an 11-member lending consortium composed of commercial banks and two savings and loans. By the end of 1993, DAHP lenders had closed on 204 loans totalling $15 million since its founding in 1991. The city of Dallas provided $2.5 million funding, over two years, to leverage DAHP deferred second mortgages for low-income home buyers.

DAHP's purpose is to provide loans for first-time home buyers and developers of rental and special needs housing in Dallas and Dallas County. The Partnership's board of directors consist of representatives of nine lending institutions and six community groups. DAHP was designed to: 1) provide a vehicle for making conventional loans on owner-occupied and multifamily rental housing; 2) coordinate the efforts and resources of local lender members, public agencies, private foundations, and nonprofit and for-profit developers engaged in the development of affordable housing; 3) explore new approaches to lending in low-income communities and/or with low-income home buyers; and 4) secure new federal, state, local and private housing grant funds to leverage DAHP loan funds. Functions of the Partnership include construction financing and permanent financing.

As the intermediary in Dallas under the HUD Public-Private Partnership program, Enterprise worked with Dallas lenders to establish the Partnership and provide technical assistance to the Partnership, the city and to nonprofit housing providers. Administration of Partnership activities was subcontracted to the Dallas Enterprise staff. The current nine DAHP lenders are: Bank of America, Texas N.A.; Bank One, Texas, N.A.; Bank United of Texas, FSB; Comerica Bank - Texas; Compass Bank; First Interstate Bank of Texas, N.A.; Guaranty Federal Savings Bank; NationsBank; Texas Commerce Bank, N.A.

Community Approach to Low-Income Housing

Approximately 250 units of low-income housing were produced with support from The Enterprise Foundation with the Dallas Revolving Loan Fund (RLF) in the three years before the creation of Dallas Affordable Housing Partnership. From 1991 through 1993, the Partnership opened over 600 units, funded through RLF, which have been completed.

Role of Partnership

DAHP served as a catalyst to engage private lenders in affordable housing finance in Dallas. The Partnership provided a forum and mechanism for local lenders to approach and structure financing. Nonprofits which produce single-family houses for sale have utilized DAHP's first mortgage program to provide financing for buyers of their houses. Between October 1991 and December 1993, over 200 single-family houses for low-income families were financed by the Partnership. To date, DAHP has received $250,000 from the Affordable Housing Program operated by the Federal Home Loan Bank for assistance to County homebuyers and $3 million from the city of Dallas to provide deferred, below-market interest rate loans to low-income homebuyers. In addition, the Partnership established a multifamily financing program in 1993 and initiated an active multifamily marketing effort. The Enterprise Foundation underwrote a 166-unit rental and a 64-unit SRO on behalf of DAHP.

In early 1991, Enterprise began working with the city in developing a strategic plan for building an affordable, low-income housing production system. Enterprise also assisted the city in every phase of developing its Comprehensive Housing Affordability Strategy (CHAS). Enterprise assisted the city in setting up a CHAS advisory committee, facilitating the CHAS process and in developing an affordable housing assessment, preliminary strategies, and spending priorities.

During the HUD Public-Private Partnership program, Enterprise provided technical assistance to city housing staff including providing models of other city housing finance programs. Enterprise delivered extensive training to staff of the city of Dallas Department of Housing and Neighborhood Services (HNS) in multifamily underwriting, pro formas, and cash flow analysis. Enterprise also evaluated all major housing programs operated by the city, and presented programmatic and structural recommendations for improvement. During the summer of 1993, Enterprise helped negotiate a memorandum of agreement between the Center for Housing Resources, Enterprise, and the Dallas Housing Department for a Dallas technical assistance system to increase the housing development capacity of nonprofit groups. Dallas City Homes, a nonprofit developer created by Enterprise in 1989, acquired and rehabilitated 104 single-family scattered-site houses for rent to low-income families and an 87-unit multifamily housing development. By the end of 1993, Dallas City Homes had begun to rehabilitate another 204 units of multifamily housing for low-income families.

Technical assistance efforts initiated by the HUD partnership funds were enhanced in 1993. Enterprise committed a total of $195,640 to fourteen nonprofit housing developers under HUD's HOME Technical Assistance to CHDOs Program. These funds were used for operational support. The fourteen nonprofits are: The Peace Housing Corporation ($9,527), Dallas County Community Action Committee ($12,547), AIDS Services of Dallas ($32,854), El Buen Samaritano United Methodist Church Center for Community Development ($7,540), Coalition for Affordable Housing ($11,228), Dallas City Homes ($13,280), Oak Cliff Development Corporation ($27,070), Operation Relief Center ($8,584), Restoration Community ($8,064), South Dallas Fair Park Innercity CDC ($5,234), Vecinos Unidos ($29,683), West Dallas Neighborhood Development Corporation ($7,062), ACORN Housing Corporation ($14,315) and Presbyterian Housing Program, Inc. ($8,607).

Enterprise also administered a $370,000 line of credit from the City of Dallas for a local CDC and $30,000 in grants on behalf of the Meadows Foundation to a nonprofit to hire a community organizer. Enterprise committed $3,622,643 in short-term loans to various Dallas nonprofits for construction, equity, credit, and guaranteed loans between 1991-1993. The Enterprise Social Investment Corporation (ESIC), a subsidiary of the Enterprise Foundation, provided equity for four projects in Dallas during the 1991-1993 period. ESIC committed a total of $5,436,544 to help finance 902 units of housing.

DENTON, TX

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
66,370	28%	82%	9%	9%	$23,156	$35,444	15%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
11%	$835	$423	20%	11%	35%	54%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
54%	64%	56%	37%

* See Definition of Terms

Partnership Description

Denton, TX, was just beginning a Public-Private Partnership in 1991. The city had recently organized a Task Force on Affordable Housing, and National Development Council (NDC) helped to direct them toward becoming a citywide non-profit housing development organization to produce affordable rental housing units. Denton's affordable housing shortage is caused by two major factors: a large resident student population (about 15 percent of the city's population) and the in-migration of middle-income families from the metropolitan Dallas and Fort Worth area. There is a two and one-half year waiting list for subsidized units in Denton.

Between 1991 and 1993 the city, the Taskforce, the Denton Housing Authority, HOPE Inc. (a nonprofit service provider), the university community and the NDC worked together toward the goals of capacity building of the housing delivery system and production of affordable housing units. Most of the partnership work has been done through the efforts of city staff and the Housing Authority with the technical assistance of NDC. By the end of 1993, conversion of the Denton Housing Taskforce into a 501 (c)(3) housing development corporation was underway, although no projects had been undertaken. Once designated a 501(c)(3) by the IRS, the Denton Housing Development Corporation is expected to be an integral part of the affordable housing production team.

Community Approach to Housing

Denton's commitment to providing affordable housing shows in the development of various agencies and programs:

- 75 percent of CDBG entitlement monies is used for housing related activities, much for Housing Rehabilitation programs.

- Participation in the HUD Urban Homesteading program.

▸Emergency Shelter Grant funding under the McKinney Act has been used to assist two local nonprofits in providing shelter for the homeless.

▸Expansion of the Denton Housing Authority (established in the early 70's) to develop affordable housing units in addition to public housing.

▸Partnering with the Housing Authority, the county, lenders and NDC to produce housing units.

Role of Partnership

Between 1991 and 1993, the housing delivery partnership in Denton set in motion the formation of the Denton Housing Development Corporation (DHDC), set up a city program for first-time home buyers and moved the 44-unit Crawford project from the pre-development to the development phase. During this period the city hired new staff to work on partnership affordable housing activities. NDC also trained city and partnership staff in housing development.

NDC staff met twice with the Task Force on Affordable Housing in 1992 and 1993 to plan, in detail, the organizational structure and goals of the Denton Housing Development Corporation (DHDC). NDC drafted articles and bylaws (for legal review) and provided guidance on their 501(c)(3) filing. At the end of 1993 the DHDC was awaiting IRS approval of its nonprofit status.

Denton's First-Time Home Buyer Assistance Program was established and funded through CDBG. NDC assisted the city in establishing program guidelines, drafting necessary legal documents and developing the tri-party agreement between the city, lenders and the home buyers. The Program covers all eligible closing costs and 50 percent of the downpayment. The city is working directly with lenders to market the program.

The Crawford Building (the old Southern Hotel) is being renovated into 44 units of downtown housing for the elderly. The Denton Housing Authority is the nonprofit developer and the project has been awarded Low-Income Housing Tax Credits, $900,000 in Federal Home Loan Bank Board Affordable Housing Program funding, $811,000 in HOME funds and $100,000 in CDBG funds. This project has introduced major new financing tools to Denton housing producers.

DENVER, CO

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
467,610	-5%	72%	13%	23%	$25,106	$32,038	22%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
12%	$749	$386	17%	37%	43%	45%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
59%	60%	52%	13%

* See Description of Terms

Partnership Description

The Housing Development Project (HDP) of Denver, CO, was established in April 1992 by Mile High United Way (MHUW), the City of Denver, The Enterprise Foundation (Enterprise), and The Piton Foundation (Piton). HDP's mission is to provide core operating support for local community development corporations (CDCs) to enhance their capacity to develop low-income housing. The strategy emphasized working with Denver's successful CDCs, such as the Northeast Denver Housing Center, Brothers Redevelopment Incorporated, Del Norte Neighborhood Development Corporation, Southwest Improvement Council (SWIC), the Uptown Partnership, and Hope Communities, to tackle the large inventory of HUD and RTC properties. HDP was capitalized by Enterprise passing through grant funds from the National Community Development Initiative (NCDI) and financial support from the other funding institutions. NCDI is a program supported by several national foundations which provides $450,000 in general operating support and $1.05 million in predevelopment financing for Denver community development corporations (CDCs).

The MHUW is an HDP contributor and serves as a fiscal agent for NCDI and other HDP grant funds. Although the HDP was initially structured as a sub-fund of MHUW's larger Community Capacity and Resource Building Fund, it is intended to evolve into an independent fund.

As the managing agent of HDP, The Piton Foundation's role was to organize and review annual funding applications and monitor functions of the Partnership. The 12-member HDP Advisory Board includes representatives from the city, Enterprise, community groups, local nonprofits, banks, Piton, and MHUW. The board meets annually to review applications and make funding recommendations to the MHUW Board, which makes final decisions on operating support. During the HUD Public-Private Partnership project, Enterprise provided technical assistance and training, including financial packaging, in order to build the capacity of CDCs. The city committed $20,000 to support additional Enterprise capacity building technical assistance for HDP, the city, and nonprofit housing developers.

Community Approach to Low-Income Housing

Denver and the state of Colorado have had programs for many years for the acquisition and rehabilitation of single-family and multifamily housing. However, Denver's population includes a disproportionate share of the low-income housing need in its region and the state, which created a significant need for increased affordable housing production in the city.

Prior to 1991, there were four major nonprofit CDCs and a number of other nonprofits providing special needs housing in the city. Traditionally, low-income housing was produced by both CDCs and small private developers. Since there was limited participation in community development by local lenders, the public sector provided the majority of the project financing.

Role of Partnership

In its first year, 1992, HDP received requests for over $700,000 and provided $250,000 in NCDI operating support to nine nonprofit groups. Sufficient funds were awarded to enable each CDC to hire one full-time housing project manager. HDP increased funding commitments to $262,800 (including administrative support) in 1993 after 12 groups applied with requests totaling over $500,000.

Contributions of $30,000 were provided by the city and $60,000 by the United Way. Additional fund-raising efforts attracted local banks and other small contributions to HDP. Annual contributions by the United Way were projected to increase by $100,000 in 1994 and by another $60,000 in 1995 and 1996.

In late 1993, the city of Denver requested $400,000 in grants from Fannie Mae's Central Cities Initiative (CCI) to be used by HDP as operating support for local nonprofit developers of affordable housing. Before the end of 1993, Fannie Mae had made a $100 million overall permanent financing commitment for affordable housing projects in Denver under CCI.

The Enterprise Foundation provided a broad array of technical assistance activities to seven CDCs in Denver between 1991 and 1993 to strengthen their organizational capacity and assist them throughout the process of developing low-income housing. Enterprise provided technical assistance for board development, organizational management, program assessment, business planning, federal funding applications, analyses of potential properties, and analyses of project financial feasibility. Training was provided by Enterprise on the use of federal HOME funds and other housing development issues. Enterprise also helped one CDC plan a network of support services including job training, housing counseling, and parental care.

In mid-1993 Enterprise advised Denver staff on potential strategies for applying to HUD for lead abatement funds. Enterprise's Rehab Work Group performed production audits of Uptown, Del Norte, and the Northeast Denver Housing Center and developed pro formas to assess project feasibility of Del Norte's possible acquisitions.

During the HUD Public-Private Partnership project, Enterprise disbursed $355,539 in NCDI grants, $200,000 in NCDI working capital loans, and a $90,000 loan for a Low-Income Housing Tax Credit project. In addition to support from the Enterprise Foundation, the city of Denver received funding during the HUD Public-Private Partnership program from The Enterprise Social Investment Corporation (ESIC), a subsidiary of Enterprise. ESIC provided a total of $2,602,346 in equity for six projects (72 units total) in Denver.

In 1993, Enterprise committed $54,460 to five nonprofit housing developers under the HOME Technical Assistance to CHDOs Program. These funds may be used for operational support and/or the cost of Enterprise technical assistance for housing development, management and homeowner education. The five nonprofits are: Del Norte Neighborhood Development Corporation ($13,852), Northeast Denver Housing Center ($16,966), Southwest Improvement Council ($15,196), The Uptown Partnership ($13,121) and Atlantis Community Incorporated ($10,594).

HDP has been a valuable resource in helping nonprofits increase their capacity to produce housing. Traditionally, because of the limited public funds provided for operations, nonprofits' staffs have consisted on average of two to three professional individuals. HDP provided CDCs the opportunity to increase staff, hire consultants and purchase equipment to increase housing activities. With NCDI core operating support and the commitment of the local partnership effort, seven CDCs had 422 units of affordable housing in the predevelopment stage as of June 1993.

EL PASO, TX

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
515,342	17%	77%	3%	69%	$23,460	$25,157	20%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
5%	$578	$349	25%	13%	55%	40%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
61%	46%	39%	26%

* See Definition of Terms

Partnership Description

In 1991, the city of El Paso was poised to pursue a wide range of housing programs to fill a pressing need for affordable single- and multifamily housing. Lenders and local nonprofit housing providers were receptive to working together to produce units. There were several nonprofits active in some aspect of housing or in some area of social services. A growing number of them were becoming active in affordable housing development. Capacity building for city and nonprofit staffs was viewed as the critical need in order to increase housing production.

In 1991 and 1992, the Greater El Paso Housing Development Corporation (HDC), a multi-bank Consortium similar to a Community Development Corporation, was formed. Cooperation between HDC, nonprofits and city staff was viewed as important to the formation of a Partnership.

The goal of the partners in El Paso's affordable housing delivery system was to attack the city's dual problem of a shortage of affordable housing and a deterioration in the condition of the existing housing stock. There had been little new housing production in El Paso other than single-family homes. In spite of a large network of social service agencies helping the city's large homeless population, there remained a need for shelter and transitional housing. In October 1993, The National Association of Homebuilders ranked El Paso the "least affordable housing market in the south and the 22nd least affordable nationwide."

The Partnership's work focused on new construction and rehabilitation of single-family homes for first-time home buyers, and downpayment assistance to increase affordability. Among the areas targeted for redevelopment and rehabilitation were the Old San Francisco District and the Sacred Heart District in the downtown area.

Community Approach to Low-Income Housing

Prior to 1991, production of affordable single-family housing had decreased, and there was no additional low- to moderate-income multifamily housing in production. El Paso lenders were willing to become involved in non-traditional lending programs, and about three nonprofits were active and poised to take a greater role in housing development. City staff identified the need for additional affordable housing and rehabilitation of existing stock in their Comprehensive Housing Affordability Strategy (CHAS), but did not have the capacity to produce significant numbers of affordable housing.

Role of Partnership

Between 1991 and 1993, improvements in El Paso's affordable housing delivery system included formation of a multi-bank lending consortium; development of a city down-payment assistance program; establishment of 100-unit rental housing rehabilitation project in the San Francisco District working with the city, lenders and local property owners; planning for preservation of low-income rental housing and commercial space in the Sacred Heart district; development of 28 units for a HOME assisted project on Missouri Street; and development of a 6-unit lease-purchase project with a nonprofit developer, Tierra del Sol.

The Greater El Paso Housing Development Corporation received commitments in 1993 from lenders for $1.5 million in financing and a set-aside of $125,000 in CDBG funds for affordable housing.

To build local housing development capacity, NDC staff provided extensive technical assistance in structuring financing, reviewing project proposals, providing lease-purchase models, and assisting local/regional nonprofits with project financial structuring. NDC also provided training for nonprofit developers in single- and multifamily housing development.

FLINT, MI

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
140,761	-13%	50%	48%	3%	$20,176	$25,083	39%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
8%	$485	$375	30%	43%	53%	38%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
75%	46%	39%	55%

* See Definition of Terms

Partnership Description

LISC organized and led a lengthy strategic planning process in 1991 resulting in the creation of the Metro Housing Partnership, of Flint, MI, in 1992. This Partnership is a nonprofit corporation designed to serve as a catalyst to enhance and expand housing initiatives in Flint and Genesee County, in which one of every four structures (approximately 14,000) are deteriorated and close to 2,400 units are overcrowded. The 21-member board includes nonprofit housing and social services groups, foundations, financial institutions, local elected officials, and agency representatives.

The Steering Committee that designed the Metro Housing Partnership included representatives from: LISC, four banks, the City of Flint's Community and Economic Development Department, the Genesee County Community Development Department, the Flint Neighborhood Improvement and Presentation Project (NIPP), the Flint Neighborhood Coalition, the Carriage Town Historic Neighborhood Association, the Committee Concerned with Housing, Burton Neighborhood Housing Services, the Salem Housing Task Force, the Urban League of Flint, the Flint Beautification Project, and Emmanuel United Methodist Church.

The Metro Housing Partnership's goals are: maintaining, improving and increasing the supply of quality affordable housing in the city and county; supporting comprehensive revitalization efforts in selected target areas; increasing private sector support for affordable housing and neighborhood revitalization; demonstrating how targeting resources can create more impact and provide greater returns; building the production capacity of Community Development Corporations (CDCs) and other nonprofit housing developers; and achieving more efficiency by enhancing coordination among the private, public and nonprofit sectors.

Community Approach to Low-Income Housing

Prior to the formation of the Metro Housing Partnership, with the exception of NIPP, the city of Flint and Genesee County interacted with nonprofit developers infrequently. Lenders were only providing small corporate contributions to CDCs but little project financing. CDCs were producing about 40 units per year. Now, with the Partnership in place with permanent staff, an organizational structure exists through which housing needs and strategies may be discussed and planned among the various partners: CDCs, lenders, local businesses and local government.

Role of Partnership

The Metro Housing Partnership has raised $155,000 from: Multi-City Michigan LISC; Bishop Charitable Trust; Community Foundation of Greater Flint; GMI Engineering and Management Institute; Mott Foundation; and Citizens, Michigan National, National Bank of Detroit, and Old Kent Banks. LISC will provide an additional $200,000 for loans and guarantees (amount based on local fund-raising match).

The Partnership planned to undertake the following activities in 1994 and beyond: identifying target neighborhoods; providing technical assistance to CDCs and other nonprofit housing groups in areas such as creating new housing development organizations, organizational development, project planning, financial packaging and construction management; coordinating housing marketing; establishing and capitalizing new production financing programs; facilitating partnerships among existing organizations; and publicizing the successes of CDCs and other nonprofit developers.

In connection with the formation of the Metro Housing Partnership, the Public-Private Partnership funds supported real estate development training to six partnership representatives including training on the development process and project packaging, financing and marketing.

Between 1991 and 1993, LISC committed over $110,000 in planning grants and predevelopment funds to four CDCs. These funds covered costs for site control, preliminary architecture and engineering, financial packaging, and legal work. LISC's National Equity Fund invested $514,000 in equity for a 30-unit rental project. The city of Flint, local lenders, and the Michigan State Housing Development Authority have committed construction and permanent financing for CDC projects totaling 288 units of affordable housing.

As of the end of 1993, significant new financial resources had been raised, staff hired, CDC training delivered and CDC housing in production. A board of directors of the Metro Housing Partnership was established, an executive director was recruited, and target areas were being identified. A Countywide Home Buyers Training System was in the process of being established in late 1993 with funding from a HOPE III planning grant (for curriculum development). The Metro Housing Partnership planned to raise core funding for implementation. The Metro Partnership planned to continue supporting six to eight CDCs with technical assistance and to secure project financing.

GREENSBORO, NC

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
183,521	15%	64%	34%	1%	$29,184	$36,678	21%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
7%	$756	$437	11%	18%	50%	43%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
47%	47%	38%	25%

Partnership Description

The Greensboro Housing Coalition (GHC or the Coalition), of Greensboro, NC, was formed in January 1989 "...to improve housing for people with low- and moderate-income and disabilities through coordination, advocacy, and the provision of information." The Coalition is the result of efforts by the VISIONS Task Force, an ad hoc group of local civic leaders committed to the long-term well-being of Greensboro.

The Task Force published a report in March 1988 that suggested a coalition be formed to act as a watchdog and advocacy agency to oversee other housing initiatives. These initiatives included the creation of a special assistant for Housing position in the city government (now director of Housing) and the issuance of a $2 million dollar general obligation bond dedicated to housing. It was following the publication of the Task Force report that the Greensboro Housing Coalition was established.

In 1989, The Enterprise Foundation was asked to conduct an in-depth study of how the city could enhance its low-income housing programs. Consequently, the Enterprise Foundation produced *Greensboro's Housing Future in 1990*, a planning document which stated that 27 percent of Greensboro households (about 19,500) had incomes below $15,000. In addition, the report estimated that there was a need for 5,275 decent and affordable rental units and about 350 transitional housing units. Greensboro had a reasonable supply of both single-family and multifamily units that could be rehabilitated, but some new construction was considered necessary to meet local housing needs.

The strength of the Greensboro Housing Coalition is in the diversity of its membership and its ability to articulate and focus on a common goal -- providing affordable housing opportunities for Greensboro. The Coalition's 150 members represent nonprofit housing organizations, social service groups, city staff, the Housing Authority, local banks, the Homebuilders Association, the Board of Realtors, and individual for-profit developers. These members and the 21-member board were integral in providing information, technical advice and leadership for GHC.

Participating banks and other members provided funding for the Coalition and office space was donated by the Greensboro Housing Authority. Funds for operating support of the organization were raised through membership dues, private foundations and local civic organizations. The Coalition had an executive director and administrative staff.

Community Approach to Low-Income Housing

Prior to 1991, the city of Greensboro issued the aforementioned $2 million dollar bond that was administered by the Planning and Community Development Department. These funds were used to rehabilitate a 12-unit apartment project, demolish the interior of two large historic houses, and partially finance the conversion of an old school into apartments. Additionally, the city had programs for rental rehabilitation, homeowner rehabilitation, clearance, and redevelopment.

Role of Partnership

The primary role of the Coalition is advocacy. GHC facilitated communication and improved working relationships between the groups it represented. In addition, GHC's programs dealt with monitoring affordable housing activities and preparing positions on issues such as subdivision regulations, housing code enforcement, and redevelopment policies. It provided the pressure that resulted in the hiring of the special assistant for Housing, who has since become the director of the Department of Housing and Community Development. This advocacy also resulted in the creation of a 1 percent ad valorem property tax dedicated to a Housing Partnership Revolving Fund. This tax has generated approximately $1 million annually and funded an Affordable Home Loan program used for downpayment assistance for homeownership, and other housing related programs.

The Coalition's advocacy efforts in 1993 resulted in a commitment by the City Council to retain the Housing Partnership Revolving Fund, to relax costly design standards for single-family development in the Eastside Park area to make housing more affordable, and to convene a representative committee to develop the 1994 Community Housing Affordability Strategy (CHAS). GHC encouraged the allocation of 1993 HOME funds to homeless and very low-income citizens.

As a result of their involvement in the HUD Public-Private Partnership Program, GHC stressed nonprofit and conventional bank participation along with the Low-Income Housing Tax Credit program. At least partially as a result of the Coalition's efforts, four nonprofits have emerged as possible housing developers and the Coalition has formed a nonprofit alliance.

The Coalition and the Nonprofit Alliance will be holding focus group meetings of affordable homebuyers. The purpose of these meetings will be to formulate designs for homes and neighborhoods in the Coalition's joint venture projects.

Between 1991 and 1993, Enterprise assisted the city with their CHAS and structuring a CDBG home improvement loan program. In addition, the Enterprise Foundation provided strategic planning and other organizational development services to the coalition. The city committed $20,000 to support additional Enterprise capacity building technical assistance for the Coalition, the city and local nonprofits, including Triad Minority Development Corporation and Garden of Prayer Community Development Corporation. The Enterprise Foundation assisted the Greater Greensboro Housing Foundation with a lease-purchase program and helped prepare the Greensboro City Housing Plan.

In 1993, Enterprise committed $20,920 to a nonprofit housing developer, Greensboro Episcopal Housing Ministry, under the HOME Technical Assistance to CHDOs Program. These funds may be used for operational support and/or the cost of Enterprise technical assistance for housing development, management and homeowner education.

In addition to support from The Enterprise Foundation, Greensboro received funding during the HUD Public-Private Partnership program from The Enterprise Social Investment Corporation (ESIC), a subsidiary of Enterprise. ESIC provided $7,045,110 in equity to finance three projects, producing 219 units of affordable housing.

HARRISBURG, PENNSYLVANIA

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
52,376	-2%	43%	51%	7%	$20,329	$37,388	41%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
12%	$534	$296	27%	67%	37%	50%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
54%	58%	39%	32%

* See Definition of Terms

Partnership Description

The South Central Pennsylvania Housing Development Foundation (SCPHDF) was formed in 1990 and facilitated largely by the Affordable Housing Committee of the United Way of the Capital Region. Committee members included representatives from the area's banks, the Whittaker Foundation, the Greater Harrisburg Foundation, a local church group, the city's community development director, and real estate developers.

The Partnership was formed to strengthen public-private collaborative efforts and to add professional development capacity to the region's current affordable housing efforts. This was deemed necessary to address the low-income housing conditions in Harrisburg. The city's poverty population has been growing while housing prices have also increased. HUD Fair Market Rent for a two-bedroom apartment was 50 percent higher than the maximum AFDC payment for a family of three. The city's 1989 Housing Assistance Plan, and later Comprehensive Housing Affordability Strategy (CHAS) reports, cited 50 percent of the city's housing units as substandard. Harrisburg has a relatively large public housing program which represents almost 8 percent of the city's occupied housing stock.

SCPHDF service area includes the three-county metro area: Dauphin County--which includes Harrisburg, and the "west shore" suburban counties--Cumberland and Perry. It desires to increase affordable housing opportunities beyond the low-income central city.

While there had been earlier attempts to form a partnership-like entity, none succeeded due to tensions between housing advocacy organizations and the business community. A breakthrough came when Keystone Financial, a rapidly growing bank holding company, hired a former community development corporation director as its Community Affairs Officer. He was able to bridge this gulf in perceptions between community and business sectors and forge a sense of direction and common ground. Leadership, organizing and fundraising came predominately from the private sector. Keystone and Dauphin Deposit Banks committed substantive staff resources virtually staffing the organization until an executive director was hired in 1992.

The organizers of SCPHDF wanted the Partnership to fill a void in the Harrisburg metro area as a housing production entity capable of large-scale, multiple project production management targeted at the low-income market. The Partnership, in the original vision, would work with other nonprofits and be a direct producer. It was felt that production would attract resources and that the partnership could also provide operating support for nonprofits and play a capacity building role. These activities would take place throughout the metro area and cover the range of housing and special needs, transitional as well as family rental and home ownership.

Community Approach to Low-Income Housing

Traditionally, the city rarely directed its resources to particular residential neighborhoods but rather made its programs available citywide. Although a large number of housing units, particularly owner occupied, were improved (over 90 percent of the city's Community Development Block Grant budget went to housing), there was little overall visual evidence of reinvestment. There was little nurturing of nonprofit groups that were attempting to revitalize their neighborhoods and increase low-income housing opportunities.

Role of Partnership

Closely related to the process to form the SCPHDF was a parallel effort to bring a major neighborhood revitalization and housing development program into Harrisburg. This effort, spearheaded by Mayor Stephen R. Reed, and volunteers from local banks, resulted in the City's receipt of the second largest award in Pennsylvania under HUD's Nehemiah Housing Opportunity Program. This 60-unit homeownership project in the City's Summit Terrace neighborhood was initially conceived by the SCPHDF board prior to an executive director being hired. City housing officials and board representatives from Keystone and Dauphin Deposit banks prepared the application and structured the financing of the project. The state Department of Community Affairs also contributed financial resources. An agreement between SCPHDF and the City was ultimately signed in mid-1993 allowing development to proceed with the Nehemiah program. Thus, the SCPHDF was able to start its existence with a major development project in place.

The Partnership was also helpful to the other nonprofit housing groups. It raised funds from the Harrisburg Foundation to subsidize the costs of nonprofit and CDC staff to attend Enterprise training courses offered as part of the HUD Public-Private Partnership program.

Enterprise also assisted the Partnership with a development scheme for the 60-unit Nehemiah project and met with local officials about a possible Low-Income Housing Tax Credit deal. The Partnership brokered Enterprise advice and assistance for nonprofit developers.

SCPHDF also provided assistance to the region's community action program, Tri-County Commission on Community Action, in forming a housing development subsidiary. This new group secured funds from the State Department of Community Affairs and hired an experienced director. It concentrated on developing housing in suburban Cumberland and Perry Counties.

While the city was highly supportive of the recommendations to bolster the Partnership, it reserved active support until the three suburban counties became active partners. The United Way played a key role in gaining support from the various jurisdictions. Unfortunately, by the end of 1993, consensus had not been reached among the political entities. SCPHDF focused on particular efforts in the city but was not fully embraced by any of the local governments.

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
834,054	29%	83%	13%	13%	$28,477	$33,645	17%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
12%	$740	$446	13%	10%	56%	33%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
55%	44%	36%	23%

* See Description of Terms

Partnership Description

The Hillsborough Challenge Fund (HCF or the Fund), of Hillsborough, Florida, was established in December 1993 as a public-private lending partnership to finance affordable housing for county residents with incomes between 50 percent and 120 percent of area median income. The Fund was modeled after a highly successful Public-Private Lending Program initiated in 1987 by the city of Tampa. HCF is a joint effort of the Hillsborough County Housing and Community Development Department, the Affordable Housing Steering Committee (an informal coalition of private industry representatives and housing advocates), 16 lenders, and nonprofit groups.

Leadership for the Fund came from the staff of the Housing and Community Development Department and the County Administrator's Office. In early 1992, program rules and guidelines were developed primarily by the county and local lenders in consultation with the Affordable Housing Steering Committee, colleagues in the city of Tampa, and area nonprofits. Financial support for the administration of HCF came from Community Development Block Grant (CDBG) funds. The County Housing Department and local lenders provided staff support for the partnership. In 1993, Enterprise committed $15,000 to support additional Enterprise capacity building technical assistance for HCF, the city, and nonprofit housing developers.

HCF was designed to combine CDBG, HOME and state subsidies with below-market interest rates and loans originated by local lenders to finance owner-occupied rehabilitation and purchase of housing by first-time home buyers. Sixteen local lenders committed $13 million for below-market interest loans. State subsidies of $100,000 were provided annually for loan guarantees through the State Housing Initiative Partnership (SHIP) Trust Fund (SHIP is an affordable housing program funded through a surcharge of $.40 per $100 on real estate sales transactions).

A technical assistance agreement between the County and Enterprise was negotiated and executed in late 1991 and the county provided CDBG funds to supplement the technical assistance supported by the HUD Public-Private Partnerships Program. ICF, Incorporated operated under a contract with Enterprise to act as the intermediary, providing the direct technical assistance to Hillsborough County.

Community Approach to Low-Income Housing

Traditionally, Hillsborough County had only a modest commitment to low-income housing. CDBG funds were focused on homeowner rehabilitation, with virtually no county tax resources committed to housing development. In 1992, the County used federal and state resources to make direct loans or grants to rehabilitate and/or construct approximately 500 units.

Prior to the HUD Public-Private Partnership project, local nonprofit participation in county affordable housing programs was limited. The county provided operating support and financing to a small number of nonprofit housing developers to improve their capacity to produce units. Lenders were very active in Tampa, but not in the surrounding areas of Hillsborough County.

Role of Partnership

In early 1992, ICF assisted in the design and implementation of HCF and helped the county in the programming of HOME and CDBG funds. Later that year, ICF assessed county staff to identify the capacity building needs of local nonprofits. In 1993, ICF conducted a workshop for new and emerging nonprofits on various opportunities to participate in state and federal housing programs. In mid-1993, ICF provided technical assistance on program design, funding, and direction for the Fund. Issues ICF examined included incomes to be served, public guarantee of bank loans, administrative workload, underwriting capacity, and the potential success of HCF's loans.

The Hillsborough Challenge Fund offered the potential to expand housing production and, in particular, increase nonprofit participation in housing development. Through marketing by the county and local lenders, the Fund was expected to encourage low-income homeowners to use HCF funding to rehabilitate their homes and housing developers to build and rehabilitate low-income housing. Also The Fund hoped to help special needs housing providers to develop housing for their clients with HCF funding.

As a result of an increased interest in affordable housing issues, one special projects staff person was hired to work with the county executive in late 1992. In addition, after years of planning, county staff upgraded their spec writing capability in 1993 by purchasing rehabilitation construction software. The Fund is also considering subcontracting with local nonprofits to provide screening and counseling services for its housing programs. The program also includes a first time home buyer training and certification for prospective buyers.

The Fund has expanded the number of nonprofit housing developers with which it works. Initially, HCF was struggling to find housing providers and worked with only one nonprofit. It now works with five nonprofit developers involved in both rehabilitation and new construction. Each nonprofit produces between five and ten units a year.

The Hillsborough Challenge Fund is expected to increase county housing productivity to more than 700 units during the Fund's first full year of operation. In addition, the county planned to expand the focus of social service organizations into the development of housing in 1994, thus increasing the number of nonprofit housing providers.

Despite a slow start-up period, in its first nine months of operation over $800,000 in loans were made.

KANSAS CITY, MO

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
435,146	-3%	67%	30%	4%	$26,713	$32,969	24%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
12%	$601	$404	15%	39%	50%	38%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
57%	56%	47%	29%

* See Description of Terms

Partnership Description

Of the 201,789 housing units in Kansas City, MO, 12 percent were vacant and 18.5 percent needed major repairs. About 46 percent of the city's households were unable to afford a typical home. In some inner-city neighborhoods, less than 20 percent of the families could afford a home. Similarly, in several areas more than one-half of the renter households could not afford the average rent.

To address these conditions, key components of the Community Development Corporation (CDC) affordable housing production system in the city gained the support of the HUD Public-Private Partnership program. The key components were Kansas City Capacity Building Program (KCCAP) providing operating support, training, and technical assistance; the Affordable Homes Program, providing homeownership program for rehab and new construction; and a multifamily rental production program. KCCAP, established in early 1992, is managed by Kansas City LISC. It is funded by: LISC using National Community Development Initiative (NCDI) monies; the Hall Family Foundation; the Greater Kansas City Community Foundation; the Kauffman Foundation; the Courtney S. Turner Charitable Trust (Boatmen's Bank); and the Commerce Bank. The Affordable Homes Program involves: Kansas City LISC; Boatmen's, Commerce, Mercantile and United Missouri Banks; the City Department of Housing and Community Development; and the Home Builders Association. Rental housing production is financed by the Kansas City LISC, LISC's National Equity Fund (NEF), several private lenders and the city.

The goals of the three programs include: stemming the tide of central city disinvestment and related loss of affordable housing; increasing the capacity of participating CDCs to carry out comprehensive redevelopment programs; developing 150 units of new or rehabilitated ownership housing; and increasing the supply of affordable rental housing.

Community Approach to Low-Income Housing

Since 1991, the Kansas City community's approach to affordable housing has become more collaborative and expansive. The relationship between the city and CDCs is stronger. The city now recognizes CDCs as vital to the production of affordable housing and the revitalization of central city neighborhoods. Largely in response to KCCAP, the city has increased its direct support to CDCs by an amount similar to what KCCAP is investing. Involving the city in the various partnership efforts has convinced it to take more risks in financing affordable housing--risks it shares with other partners, particularly Kansas City LISC. The Kansas City community now takes an active approach to marketing urban living and redeveloping central city neighborhoods.

Role of Partnership

LISC and its partners have mobilized significant resources for KCCAP, the Affordable Homes Program and rental housing development. KCCAP is committing more than $930,000 over three years to build the capacity of seven CDCs. Each CDC conducts an organizational assessment and formulates a strategic plan. CDCs identify and define goals for organizational improvement. When CDCs complete this process, KCCAP commits operating support for a minimum of three years to fund an additional staff person to help implement the approaches and activities specified in the plan. In addition, rental housing development, management training and homeownership training were provided with support from the HUD Public-Private Partnership funds. By the end of 1993, six CDCs had completed their assessments and plans. Four CDCs had hired staff and two others were recruiting for staff.

KCCAP also promotes CDC relationships with universities, providing scholarships and other learning opportunities to assist CDC staff members in pursuing advanced degrees and to assist in recruiting students, especially minority students, into the community development field.

The Affordable Homes Program involves a variety of assistance to CDCs at every stage of the single-family housing development process. LISC and the city provide predevelopment grants and loans. LISC uses National Community Development Initiative funds to make revolving lines of construction credit available. LISC and the city fund Neighborhood Housing Services to help CDCs market their housing under a program called Home Works. Private lenders, including Boatmen's, Commerce, Mercantile and United Missouri Banks, provide first mortgages and the city provides second mortgage financing. CDCs in the Affordable Homes Program completed nine units through 1993 and had an additional 30 units of housing in production at that time. This amounted to over $2.25 million in housing development.

Between 1991 and 1993, CDCs have completed 350 units of rental housing. Financing is provided by Kansas City LISC, LISC's National Equity Fund, private lenders and the city.

KNOXVILLE/KNOX COUNTY, TENNESSEE

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
165,121 335,749	-6%	83% 90%**	16% 9%**	1% 1%	$19,923 $26,010**	$26,131 32,614**	23% 16%*

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
8% 7%**	$549 $638**	$332 $351**	20% 14%**	31% 22%**	46% 59%**	46% 34%**

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
70% 63%**	58% 47%**	50% 40%**	30% 27%**

* See Description of Terms
** Indicates County Data

Partnership Description

Knox Housing Partnership (KHP), of Knoxville, TN, was formed in 1989 and incorporated in 1991 to provide the opportunity for affordable and desirable housing for all low-income residents of Knoxville and Knox County by the year 2000. Construction costs and average home sales prices in Knoxville and Knox County were below the national average but still out of reach for the 44,546 households (one third of total) with incomes below 50 percent of the median.

A Community Reinvestment Act challenge to several major Knoxville banks in 1988 by housing advocates prompted the forging of an umbrella public-private partnership with key lenders, local government, housing advocates and neighborhood leaders called the Knoxville Partnership for Neighborhood Improvement (KPNI). KPNI in turn created and coordinated the activities of three different sub-partnerships: the Center for Neighborhood Development (CND), the Small Business Action Council (SBAC), and the Knox Housing Partnership (KHP). CND focused on building the capacity of neighborhood based organizations. SBAC focused on small business lending and development. Finally, KHP was created to increase affordable housing.

Knoxville's public housing authority, the Community Development Corporation (KCDC), was a strong supporter of Knox Housing Partnership. It invested $1.4 million in HUD Turnkey III repayments in the Housing Trust Fund and provided nearly $300,000 to KHP for operating support and working capital. (Also, one of KCDC's senior executives served as KHP's first executive director.) This financial support leveraged other resources, including the county and the local United Way. In addition, the leaders of six major banks brought private-sector credibility to KHP and provided financing for affordable housing. Several key minority neighborhood leaders, housing advocates and nonprofit directors gave the whole effort critical neighborhood involvement and helped to focus KHP's efforts on housing production within the context of neighborhood revitalization.

The Enterprise Foundation provided technical assistance during the HUD Public-Private Partnership contract in Knoxville and Knox County. The city committed $20,000 to support additional Enterprise capacity building technical assistance for the KHP, the city, and nonprofit housing developers. In mid-1991, Enterprise conducted an assessment and presented a report on the housing needs and partnership opportunities in Knoxville and Knox County. Enterprise also assisted the city in conducting and completing a strategic plan for affordable housing.

Enterprise worked with KHP to forge an alliance among the city and county, the six lenders, and the Knoxville Area Urban League. Other partners included the local Homebuilders Association and the Legal Aid Office.

KHP embarked on a fund-raising campaign to secure a three-year operating budget of $900,000. By the end of 1993, KHP succeeded in obtaining Community Development Block Grant commitments from the city and county, private and United Way funding, Monday Foundation, HUD Turnkey III Funds from KCDC and HUD HOME Technical Assistance Pass-Through operating support funds from Enterprise.

Community Approach to Low-Income Housing

The city of Knoxville's Department of Community Development effectively managed scarce housing resources and financed new construction or rehabilitation of nearly 200 housing units per year through Rental Rehabilitation, CDBG, HOME, and the Tennessee Housing Development Agency's HOUSE program. Nearly 60 percent of the city's CDBG funds (about $3.4 million) was used for affordable housing. Knox County allocated 22 percent of its CDBG funds for housing as well.

Knoxville Community Development Corporation (KCDC), the city's public housing and redevelopment authority, was a significant developer of affordable housing, including some scattered site rental and turnkey homeownership opportunities. The county Public Housing Authority, while much smaller, was also well managed and involved in the Partnership.

Except for Habitat for Humanity, which developed more than 20 houses a year, only a handful of units were produced annually by nonprofit groups.

Role of Partnership

FirstHome, a program which enabled first-time home buyers to acquire and rehabilitate scattered-site housing, was initiated in the fall of 1992. Funding consisted of $5 million in lender financing and public subsidies including a HOPE III grant that was sponsored by KHP on behalf of the city and county. The lending community's activity in KHP included instituting new products to assist low-income home buyers. In 1992, 40 families were counseled and assisted in purchasing homes. In the absence of any other nonprofits playing a significant role in the program, KHP began planning to create development capacity in-house. In mid-1993, KHP retooled its FirstHome program by centralizing the recruitment, screening, and homebuyer training within KHP.

KHP has focused on affordable housing in low-income neighborhoods in both the City and County. Initially, KHP led the effort to create a Housing Trust Fund to provide operating, pre-development and program support for use in developing homeownership opportunities for low-income families. This effort culminated in 1993, netting $200,000 in City tax dollars in addition to other public funds previously mentioned, although Knox County did not provide requested funding. This funding of the Trust is for a demonstration period and is administered by a local community foundation, the East Tennessee Foundation, and is used for subsidy financing for nonprofit and for-profit developer affordable housing projects.

Under the HUD Public-Private Partnership program, Enterprise provided technical assistance to the Partnership in strategic and business planning, organizational restructuring, designing rehabilitation standards, and program planning of FirstHome, and a scattered-site rental housing program.

In 1993, Enterprise committed $68,114 to KHP under the HOME Technical Assistance to CHDOs Program. These funds may be used for operational support and/or the cost of Enterprise technical assistance for housing development, management and homeowner education.

The Knoxville Partnership for Neighborhood Improvement provided an effective metropolitan forum for neighborhood leaders, housing advocates, lenders, corporate leaders, and city and county housing agencies to come together to work on effective programs. KHP's board was very inclusive of various groups interested in housing issues, but conflicting views of its mission contributed to lengthy decision-making and program implementation processes. KHP's Board was very cautious in defining a role for itself, and no other CHDOs have emerged. In the meantime, a significant percentage of the housing stock in both the city and county remains substandard. KHP has positioned itself, however, to become a developer of scattered-site housing.

LAFAYETTE, IN

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
43,764	2%	96%	2%	1%	$27,023	$34,084	14%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
6%	$528	$385	8%	42%	56%	38%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
50%	53%	43%	26%

* See Description of Terms

Partnership Description

Enterprise conducted an assessment of housing needs, programs, and public-private partnership opportunities in Lafayette in late 1991. The assessment recommended the formalizing of a permanent housing partnership with the responsibility of overseeing the implementation of the anticipated Comprehensive Housing Affordability Strategy (CHAS) action plans.

The Mayor's Housing Task Force (Task Force), at Lafayette, IN, was created by the Mayor at the recommendation of participants of Lafayette's CHAS meeting on October 26, 1992. The mission of the Task Force was to assist in developing a long-term strategy for meeting the housing needs of low- and moderate-income households throughout Lafayette and West Lafayette.

Although Lafayette and Tippecanoe County enjoy a relatively stable and diversified economic base, the relative affluence of the area made it difficult for low-income residents to afford housing. As a mature community, land was either unavailable or too expensive for building new affordable housing. Therefore, low-income renters were forced to compete with students from Purdue University for housing. To address these conditions, the Task Force sought to identify needs, establish priorities, develop public and private resources, and recommend a plan of action to increase affordable housing opportunities in Lafayette and Tippecanoe County. The Task Force also served to coordinate the activities of local lending institutions, the real estate community, government, and nonprofit housing and service providers. The Task Force met regularly and included representatives from several local banks, which were the most active fundraisers. Other members offering support included representatives from local builders, nonprofit social service providers, the City Council, St. Elizabeth Hospital, and the Board of Realtors. The City of Lafayette provided staff for the Task Force with assistance from the City of West Lafayette. The Mayor of Lafayette, James F. Riehle, was the driving force behind the formation of the Task Force. City agency representatives provided expertise and leadership, chairing two Task Force Committees. In addition, Lafayette Neighborhood Housing Services (LNHS), the area's strongest nonprofit housing producer, was integral in carrying out the Task Force recommendations.

LNHS was providing finance and development services to the city in addition to its more traditional neighborhood based-efforts. As a subcontractor under the HUD Public-Private Partnership program, ICF provided staff support, technical assistance, and planning expertise to the City of Lafayette. ICF was also involved with LNHS in planning of future LNHS activities.

Community Approach to Low-Income Housing

The principal methods for supporting low-income housing production prior to 1991 were the HUD Rental Rehabilitation Program, the Low-Income Housing Tax Credit for rental projects and a revolving loan fund for homeownership. The homeownership program was created by local banks with additional support from the Greater Lafayette Community Foundation and the City and administered by LNHS.

The local government, which served as the principal funding source of affordable housing subsidy through CDBG, targeted most assistance to existing homeowner rehabilitation. LNHS, the only nonprofit housing developer, provided counseling, financing and acquisition/rehabilitation services, and operated the CDBG housing improvement programs, under contract with the City, outside the LNHS neighborhood.

Role of Partnership

With the assistance of ICF in 1992, the Task Force developed a strategic plan and coordinated various community efforts to produce affordable housing. In the area of homeownership, the Task Force researched starting an employer-assisted housing initiative and gained support for affordable housing from the business community. Housing production efforts included reviewing local subdivision regulations, working with builders to designate lots and prototype floor plans for affordable housing development, and exploring energy efficient construction practices and environmentally safe building materials with the Housing Research Center at Purdue University. The Task Force formed a housing consortium for HOME and created a tenant-based rental assistance program.

ICF assisted the city with implementation of the HOME program and the CHAS and prepared an outline of a bank CDC concept in light of the growing capacity of LNHS, which assisted in the development of 206 units of affordable housing at a cost of $5,267,660 between 1991-1993. ICF also assisted with the employer-assisted housing concept as a way for employers to contribute to affordable housing, and in 1993 reviewed and made recommendations on enhancing federal funding applications (Section 202, Supportive Housing, McKinney) for local nonprofits. ICF helped evaluate the progress of various Task Force committees, provided information that led to exploring the formation of a local program for the purchase and rehabilitation of single-family homes with 401(k) mortgage insurance from HUD, and helped design a tenant-based assistance program.

The Task Force's primary contribution was to raise awareness in Lafayette of the affordable housing needs in its communities. This awareness has fostered increased financial and other support for ongoing housing activities and helped strengthen the existing low-income housing delivery system. The community, through the Task Force, has yet to resolve the question of formalizing a partnership. Among the potential options are to assign the Partnership's duties to an existing organization such as LNHS, create a new entity or to continue the Task Force as an informal coordinator and catalyst.

LANCASTER/LANCASTER COUNTY, PA

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
55,551 422,822*	1%	71% 94%*	12% 2%*	20% 4%*	$21,203 $33,255*	$27,000 $37,791*	27% 10%*

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
6% 4%*	$574 $728*	$390 $441*	20% 8%*	71% 36%*	45% 54%*	50% 28%*

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
63% 51%*	66% 47%*	57% 36%*	36% 23%*

* See Description of Data
** Indicates Data for Lancaster County

Partnership Description

In response to an August 1991 assessment report on Lancaster, PA's, housing needs prepared by The Enterprise Foundation (Enterprise), the commissioners of Lancaster County and the mayor of Lancaster City appointed a 24-member task force to investigate affordable housing issues and make recommendations on how to address them. The group, known as the Lancaster City/County Affordable Housing Task Force (Task Force), was broadly representative of interests throughout the County.

The Task Force, made up of representatives of local banks and corporations, the city and county, churches, realtors, and the United Way, discussed Lancaster's affordable housing needs and the appropriate role for a partnership. At first the Task Force met monthly, but meetings became irregular as the group moved from planning to action. At the close of 1993, a partnership had not been formed, however, the expectation was that a partnership entity would be incorporated in 1994 to focus on affordable housing.

The Task Force provided leadership in planning the partnership and sought the endorsement and support of the Lancaster Alliance, an organization composed of the chief executive officers of the area's largest corporations. Financial support for the partnership is expected to come from Lancaster's corporations, banks and local governments. The board of directors would include representatives of those organizations as well as community groups.

It was anticipated that partnership programs would include financial assistance, education and training for low-income home buyers. In addition, the Task Force intended for the partnership to establish equity and loan pools to increase the financing of affordable rental housing. The partnership is expected to provide (or fund) technical assistance in development and be a catalyst for nonprofit and for-profit development of affordable housing, both new construction and rehabilitation.

Community Approach to Low-Income Housing

Historically, Lancaster had a generally weak low-income housing development capacity. However, the area had a strong private building sector that directed some of its attention to lower-income housing. The city also had one major nonprofit developer that developed thousands of units of low-income housing locally and in neighboring parts of Pennsylvania. Several other nonprofits in Lancaster County produced low-income housing, although they had a relatively low output. The largest source of public sector housing resources were the Community Development Block Grant(CDBG) programs of Lancaster City and County, which committed approximately 25 percent of their CDBG budget for housing.

Role of Partnership

The city and county considered the private sector to be the key to the success of the partnership building effort. Although the city and county advocated for the creation of the partnership, they believed that private sector leadership was essential. Difficulty in identifying high-profile private sector leadership, disagreement over the nature of the city's housing problems, and the desire to craft a unique local approach all contributed to the lengthy start-up of the partnership.

Enterprise's 1991 assessment led to the formation of two working groups. One looked at local housing needs while the other considered what should be done, ultimately recommending the creation of a local partnership. The Task Force completed a strategic plan in 1992 that outlined the new partnership's objectives and methods to finance its operations and programs. The plan also outlined recommendations and the next steps the city and county should take to develop a partnership.

Enterprise's activities in Lancaster included bringing representatives from different parts of the community together to discuss low-income housing needs and deliberate about establishing the partnership, advising the city and county on how to build a partnership, training government and nonprofit staff in housing development and providing technical assistance on specific projects to the county and area nonprofits. Furthermore, the city committed $20,000 to support additional Enterprise capacity building technical assistance for the Task Force, the city, and nonprofit housing developers. Enterprise was able to assist the local Task Force in raising awareness of affordable housing needs in Lancaster, and encouraging others to get involved.

In 1993, Enterprise committed $41,252 to three nonprofit housing developers under the HOME Technical Assistance to CHDOs Program. These funds may be used for operational support and/or the cost of Enterprise technical assistance for housing development, management and homeowner education. The three nonprofits are: Sunnyside Ministries ($14,231), SACA Development Corporation ($13,460) and Community Action Program of Lancaster ($13,560).

LOS ANGELES, CA

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
3,485,398	15%	53%	44%	39%	$30,925	$34,364	21%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
1%	$1,171	$600	18%	32%	39%	60%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
52%	56%	48%	34%

* See Description of Terms

Partnership Description

In Los Angeles, CA, only 38 percent of all households own their homes. It took minimum annual earnings over $66,000 to buy a home in 1993, and only 20 percent of the households earned enough to buy one. One hundred fifty thousand tenants pay more than half their income for rent. There are 200,000 substandard apartments, 200,000 families doubling and tripling up, and 42,000 families living in garages and other illegal units. Currently, 60,000 applicants are waiting for public housing and the population is increasing by 26,000 households a year while the housing stock is increasing by just 12,000 units.

The HUD Public-Private Partnership program in Los Angeles enabled LISC to increase activities in building capacity and training infrastructure for Community Development Corporations (CDCs) to address the aforementioned conditions through the Housing Task Force of the 2000 Regional Partnership and the Los Angeles Collaborative for Community Development.

The Housing Task Force of the 2000 Regional Partnership was established in 1992 to involve representatives of private- and public-sector organizations from throughout the housing and community development fields. These representatives include: LISC; CDCs; nonprofit housing developers; land-use attorneys; city, state and HUD officials; bankers; and secondary market financing entities. The Task Force sees CDCs and nonprofit housing corporations as central to the solution to the region's housing problems. In the fall of 1993 it established the Housing and Community Development Coordinating Council (HCDCC) to raise and coordinate public- and private-sector resources and build an institutional infrastructure for financing and capacity building for CDCs.

The Los Angeles Collaborative for Community Development (LACCD), started in early 1991, provides capacity building assistance to CDCs. The partners include: Los Angeles LISC; ARCO; the California Community, Ford, Hewlett, Hilton, Irvine, Parsons and Times-Mirror Foundations; the City of Los Angeles; and the Great Western Financial and Security Pacific Corporations.

HCDCC and LACCD have overlapping representation and much of their coordination is provided by LISC staff. These organizations are providing a wide array of capacity building aid and project financing for all types of affordable housing development.

Community Approach to Low-Income Housing

Prior to 1991, support for CDC development of low-income housing was a patchwork quilt of inadequate public and private resources. Tapping these resources was a frustrating, cumbersome and time-consuming process. Moreover, the resource base was limited to housing that was not included in a broader strategy for revitalizing neighborhoods. It did not include funds to meet other related needs such as public works and economic development.

The strategic plan, which grew out of the work of the 2000 Partnership Housing Task Force, focuses on changing this situation in two ways. First, HCDCC is charged with recommending ways to streamline financing programs and eliminate regulatory barriers to affordable housing. Second, it is advocating for new revenue sources. It has proposed the creation of an Enterprise Trust Fund and the use of Pension Funds for affordable housing and infrastructure development. The activities of the HUD Public-Private Partnership project helped to include CDCs on the agenda of affordable housing funders in Los Angeles.

Role of Partnership

The HUD Public-Private Partnership funds supported LISC's strategic planning session involving CDCs, city officials and key members of the 2000 Partnership Housing Task Force. This strategy planning session built a preliminary consensus on what the Task Force should recommend. LISC staff helped the Task Force gather and analyze information, reformulate recommendations and create the final consensus required to issue them. The formation of HCDCC was a major milestone in building citywide agreement on a strategy for affordable housing and community development, and a vital first step in knitting together what had been a fragmented and ineffective housing development system.

Los Angeles LISC played a key role in marshalling $7.1 million for the LACCD, both before and during the HUD funded partnership program. LACCD has helped 10 CDCs complete organizational assessments and strategic plans. It is providing operating support to seven CDCs. Through LACCD and Los Angeles LISC, 18 CDCs have received intensive real estate development training. A second round of intensive training was planned for 1994. The HUD funds have also supported two workshops for CDCs, one on ownership and another on rental property management. In addition, CDC board members have been trained in organizational and leadership development.

Various partners are providing project financing for housing development. Between 1991 and 1993, Los Angeles LISC committed $1.5 million in predevelopment support for site control, preliminary architecture and engineering, preliminary financial packaging, and legal work. Some of these monies came from the city CDBG program. Private lenders, including Bank of America and Wells Fargo, as well as the City Housing Department are providing construction financing. Between 1991 and 1993, LISC's California Equity Fund supplied $29.4 million in equity. Private lenders, including California Community Reinvestment Corporation and American Savings Bank, and the city have made permanent project financing available.

LOUISVILLE, KY

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
269,063	-11%	69%	30%	1%	$20,141	$25,805	29%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
9%	$492	$308	22%	54%	50%	41%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
74%	62%	53%	35%

* See Description of Terms

Partnership Description

The Housing Partnership Incorporated, located in Louisville, KY, (HPI or Partnership) was incorporated in 1991 to collaborate with the city housing department to ensure that decent and affordable housing is available to all Louisville citizens and its surrounding six-county metropolitan area. The creation of HPI followed a research effort and report on affordable housing by the Bingham Fellows, a Louisville program which organizes young civic and corporate leadership to address significant local problems. HPI's mandate was to fill gaps in affordable housing, provide public information and education programs, facilitate housing development, and promote cooperative agreements between government and non-government entities.

Louisville Mayor Jerry Abramson was instrumental in bringing key local public and private leaders and institutions together to form the Partnership. Mr. Lynn Luallen, a former director of the Kentucky Housing Corporation (KHC), was hired as the first director of HPI and successfully received operating funds and implemented initial programs.

HPI's board of directors was comprised of 21 members including representatives of corporations, foundations, key lenders, nonprofit developers, and public officials. The Partnership had five full-time employees, an executive director, development director, financial specialist and two administrative support staff.

Funding is provided by the City of Louisville and Jefferson County with annual grants of $50,000 from each. KHC also provided two no interest loans.

The Enterprise Foundation completed an assessment report on housing needs, programs and Public-Private Partnership opportunities for Louisville in January 1992. According to that assessment, 11 percent (12,848) of all occupied dwelling units in the city were deemed substandard. As of 1991, 7,000 families were on the local Section 8 waiting list, and 1,100 households were waiting for public housing. Subsequent to completing the assessment, Enterprise provided technical assistance in Louisville for local nonprofit organizations designated by the city housing department. Technical assistance provided included strategic planning, board training, project selection, and project development.

Community Approach to Low-Income Housing

Prior to its involvement in the HUD Public-Private Partnership program, Louisville had a variety of public and private resources available to assist with low-income housing. The Kentucky Housing Corporation offered below-market financing for single-family home mortgages and financing programs for housing for the homeless, and worked with nonprofit housing groups to encourage low-income housing development. City housing programs were reasonably efficient at allocating scarce subsidy funds. Through Louisville's Department of Housing and Urban Development, over 1,100 rental, homeownership and shelter units were produced between 1986 and 1990. Numerous local community-based nonprofit organizations played an important role in having affordable housing produced. Due largely to Community Reinvestment Act challenges, the financial community in Louisville was involved on a limited basis in the affordable housing market through financing of low-income projects, participation in partnerships owning projects, and purchasing Low-Income Housing Tax Credits (LIHTC).

Role of Partnership

HPI played a number of roles within the affordable housing context of Louisville. HPI administered a $1 million line of credit from the state housing finance agency for below-market rate financing for development of single-family owner-occupied housing. HPI also administers a mortgage revenue bond program on behalf of the city which financed 500 first-time home purchases between 1989 and 1991. Between 1991 and 1993, HPI assisted developers in finding sources for debt and equity. In December 1993, the Partnership began seeking corporate contributions to an equity fund for multifamily rental housing in Jefferson County to be used in conjunction with the LIHTC. The Partnership worked with other nonprofits to enhance the development capacity. It considered itself a developer of last resort.

HPI provided technical assistance in the development of affordable housing, provided development and financial consulting services to private and nonprofit developers, and raised the visibility of the need for affordable housing within the Louisville community.

Under the HUD Public-Private Partnership program, Enterprise provided in-depth technical assistance to five local nonprofit developers and potential developers in strategic and business planning, organizational development, project feasibility assessment, and financial packaging. These nonprofit groups were the Louisville Community Development Corporation, Louisville Urban League, Louisville Economic Organization, New Directions Housing Corporation and the Neighborhood Development Corporation. Enterprise assisted nonprofits in preparing applications for HOME, HOPE and other federal housing programs. The Foundation also conducted a one-day Low-Income Housing Preservation and Resident Homeownership Act (LIHPRHA) training course for potential nonprofit purchasers of affordable housing with expiring use restrictions. Nonprofit development of affordable housing in Louisville increased as a result of the HUD Public-Private Partnership program. Between 1991 and 1993 Louisville nonprofits completed development of a 30-unit, Section 811 new construction project for persons with mental illnesses and began developing a 43-unit LIHTC substantial rehabilitation project.

In early 1993, the Partnership's chair Mike Harreld of PNC Bank Kentucky led the successful effort to form a lender consortium operating as a subcommittee of the Partnership. The consortium consisted of eleven banks which have made two participating loans and three special loan product commitments. The Foundation also helped HPI analyze various aspects of a low-cost, new construction, tax credit rental housing model. In mid-1993, Enterprise worked with the Partnership to help define a new strategic course for the organization, leading it toward the needed role of financing intermediary between the private sector and affordable housing providers.

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
66,049	-1%	73%	27%	1%	$24,923	$30,141	23%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
8%	$553	$346	16%	33%	54%	39%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
65%	51%	44%	27%

* See Description of Terms

Partnership Description

The Lynchburg Area Housing Coalition (LAHC), of Lynchburg, VA, was created in 1990 to make all housing in the Lynchburg area fit, livable and affordable by the year 2001. According to 1990 Census data, the primarily minority inner-city suffered from a decreasing population between 1980 and 1990, severe poverty (median income was 58 percent of the citywide median income), and a high number of vacancies and boarded-up units. In addition, according to Home Mortgage Disclosure Act data, although over a quarter of the housing stock was located in the central city, under 13 percent of the number of home loans given were in those communities (down from close to 26.5 percent in 1980), representing under 1 percent of the monetary value of loans given. There was also a significant need for special needs housing in Lynchburg for the disabled and victims of domestic violence.

LAHC contracted with The Enterprise Foundation (Enterprise) to perform an assessment of the city's housing needs and capacity, and to produce a strategic plan. The resulting strategic plan recommended that a local financial intermediary be created to package financing for the several nonprofit developers and Housing Authority. The Lynchburg Neighborhood Development Foundation (LNDF) was formed in 1993 to fulfill this function.

Through funding from Enterprise, the local United Way, the HUD Fair Housing Initiatives Program and with the city's assistance, LNDF hired a staff person in October 1993. Funding for production came from a variety of sources including the John Heinz Neighborhood Development Program, Affordable Housing Program of the Federal Home Loan Bank, city Community Development Block Grant, McKinney Emergency Shelter Grant, and a state program providing indoor plumbing funds. The city also provided $20,000 to fund Enterprise's capacity building technical assistance for the Partnership, the city, and nonprofit housing developers.

LAHC provided a forum for ongoing participation of private, public and nonprofit sector leadership. The primary purpose of the organization was to determine how to provide affordable housing in Lynchburg.

Community Approach to Low-Income Housing

Prior to the HUD Public-Private Partnership program, Lynchburg struggled to solve its housing problems. Due to the elimination of federal rent subsidies, no private development of low-income rental housing occurred between 1985-1991. Local nonprofit developers of affordable housing were extremely well-respected in the community, but produced few units of housing. The only particularly aggressive developer of low-income housing was the local housing and redevelopment authority in partnership with the local chapter of Habitat for Humanity.

Historically, local financing for renovation was lacking, other than a small home improvement loan program and a largely unused $1 million loan fund for historic districts. However, despite the lack of funding, there was a substantial commitment on the part of Lynchburg's corporations, local government, nonprofit groups, banks, social service providers, and for-profit developers to collectively tackle the city's housing needs.

Role of the Partnership

As a result of the technical assistance provided through the HUD Public-Private Partnership program, funding for programs of the Partnership was served. Significant technical support was directed to the preparation of proposals for funding. In addition, LNDF was awarded $1.935 million in combined reduced rate mortgage and HOME down payment assistance for home buyers. LNDF also sought to increase resources for other nonprofits. For example, the Affordable Housing Program of FHLB in Atlanta provided Habitat with approximately $500,000 in program assistance, through LNDF support. In the spring of 1991, Enterprise conducted and published an assessment of the city's housing needs, which led to two-and-a-half days of strategic planning with business, nonprofit and city leaders in 1992. Enterprise also prepared a cost analysis for renovating historic buildings and assisted local nonprofits with HOPE III, National Historic Trust and McKinney applications. During 1992, five area banks agreed to a "Round Robin" involvement for a Community Home Buyers Program (CHBP). With Enterprise encouragement, the participating banks also agreed to donate $3,000 each to the consortium.

In 1993, Enterprise committed $128,620 to five Lynchburg nonprofit housing developers under the HOME Technical Assistance to CHDOs Program. These funds may be used for operational support and/or the cost of Enterprise technical assistance for housing development, management and homeowner education. The five nonprofits are: Inner City Community Task Force, Diamond Hill Neighborhood Watch & Restoration, Lynchburg Covenant Fellowship, New Land Samaritan Inns and Lynchburg Community Action Group.

In mid-1993, Enterprise led board training on the development process and led a planning session for local nonprofits. Later that year, Enterprise assisted with the LNDF applications for combination reduced rate mortgage/home down payment assistance and Pew Partnership grant, and conducted planning sessions with a nonprofit to help them create a neighborhood plan. In addition, Enterprise continued to work with a neighborhood council to create a community center and met with the Lynchburg Community Action Group to assist them in combining their weatherization and housing departments to increase production efficiency under its homeowner rehab program.

Enterprise encouraged a sense of cooperation and community involvement in Lynchburg among players in the production and financing of affordable housing. Between 1991 and 1993, local nonprofit organizational and production capacity increased and 111 units were produced.

MILWAUKEE, WI

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
628,088	-1%	63%	31%	6%	$23,627	$28,292	31%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
5%	$654	$418	22%	51%	42%	52%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
70%	64%	55%	37%

* See Description of Terms

Partnership Description

The Milwaukee Neighborhood Partnership, Inc. (MNPI or Partnership), of Milwaukee, WI, is a nonprofit organization started in 1988 through the efforts of private banks, corporations and city housing officials. A local electric utility executive, an influential banker and an official of the Wisconsin Partnership for Housing Development (WPHD) were instrumental in organizing the Partnership. The Partnership's purpose was to coordinate and increase funding for comprehensive housing and economic development activities, and to coordinate these activities with human services and other resident services necessary in achieving satisfactory levels of neighborhood life. In the late 1980s, an increasing number of Milwaukee's poor found themselves either in overcrowded living arrangements or homeless. In 1989, an estimated 10,660 homeless individuals were served by Milwaukee's emergency shelters, almost double the number served just three years before. The declining housing situation was even worse for Milwaukee's minority households, which were disproportionately poor, unemployed, living in substandard housing, and spending more than 30 percent of their incomes for housing.

MNPI's main objective was to work within designated neighborhood areas in conjunction with its affiliates and neighborhood-based nonprofits. The Partnership's programs included encouraging and facilitating strategic community planning, particularly within Milwaukee's low-income areas. The Partnership was also involved in affordable housing development and management through its affiliate, the Milwaukee Housing Assistance Corporation (MHAC). Another affiliate, the Neighborhood Development Center (NDC), provided assistance for neighborhood economic and commercial development. MNPI marketed and promoted homeownership within specific neighborhoods through the Select Milwaukee program, a neighborhood booster program. MNPI's largely corporate board was instrumental in fund raising. Sources for operating support and program implementation included city funds, bank lines of credit and corporate support.

Under the HUD Public-Private Partnership program, Enterprise provided project-based, program, and organizational technical assistance principally to City of Milwaukee housing agencies, MNPI, and to other housing institutions. The city provided an additional $20,000 to fund Enterprise's technical assistance to the city, nonprofit housing developers and the Partnership.

Community Approach to Low-Income Housing

Prior to 1991, Milwaukee had a broad range of resources available to address the city's housing and human service needs. The city's housing programs were effective in using scarce subsidy funds and focused resources through community-based nonprofit organizations.

Approximately six or seven nonprofits had the capacity to produce 20-50 affordable units annually. Financing was provided through debt and equity pools created by a statewide intermediary, Wisconsin Partnership for Housing Development. Milwaukee is also home to a number of foundations and corporations which support local affordable housing efforts.

Role of Partnership

MNPI provided a forum for city- and neighborhood-based leadership, including public, private and nonprofit sectors, to discuss and coordinate neighborhood planning and revitalization. To that end, in 1992 MNPI designed The Milwaukee Plan for Neighborhood Revitalization, a neighborhood-based planning process which ensured resident participation in housing and community development, and sponsored such conferences as "Invest in Milwaukee," and "Jobs, Business and Healthy Neighborhoods." However, MNPI itself did not play a significant role in enhancing funding or creating funding mechanisms for affordable rental or homeownership housing in Milwaukee. A more significant role for MNPI came through its affiliate, MHAC, a citywide nonprofit developer of rental housing. MHAC was the primary affordable housing developer in Milwaukee. As of 1993, MHAC developed or was in the process of developing over 400 units of affordable scattered-site single and multifamily rental property.

Enterprise helped the city assess its affordable housing production system and issued a report in 1991. The Foundation assisted in the design and implementation of the Central City Initiative (CCI). CCI was designed to increase capacity and housing production in the poorest, predominantly minority area of the City. CCI provided operating support and project financing for homeownership. CCI also linked inexperienced nonprofit housing groups with more experienced city-wide nonprofit housing developers. Enterprise provided technical assistance to the city on permissible uses of HOME funds, Weed and Seed, and other federal programs; on developing strategies for abatement of lead-based paint hazards; and on program models for addressing low-income housing needs.

Enterprise assisted numerous neighborhood-based nonprofit housing providers through board and staff training; strategic and business planning; program design; project design and financing; compliance with HOME rules; and staff mentoring programs. Enterprise also helped strengthen the capacity of three newly created minority Community Development Corporations.

In 1993, Enterprise committed $34,711 to two Milwaukee nonprofit housing developers under the HOME Technical Assistance to CHDOs Program. These funds may be used for operational support and/or the cost of Enterprise technical assistance for housing development, management and homeowner education. The two nonprofits are: South Community Organization ($20,697) and LAND, Inc. ($14,013).

Enterprise advised the Partnership on finances, development and program activities and assisted MNPI and MHAC with a proposal to develop over 200 housing units in the city's West End.

Finally, Enterprise helped the Wisconsin Partnership for Housing Development improve its underwriting standards and procedures.

As a result of the HUD Public-Private Partnership program, the City of Milwaukee committed \$1.1 million for the Central City Initiative. This program, combined with Enterprise technical assistance, increased nonprofit production capacity by 40 units per year. While full of initial promise, MNPI became less effective over time due to staffing and board problems, and was dissolved in late 1993. However, its citywide development affiliate, the Milwaukee Housing Assistance Corporation, has continued to make significant contributions in providing affordable housing. Subsequently, community and business leaders looked to other forums and institutions to move the broader low-income housing agenda.

NEW HAVEN, CT

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
130,474	3	54	36	13	$25,811	$31,163	57%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
9%	$989	$568	21%	57%	29%	62%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
65%	63%	55%	37%

* See Definition of Terms

Partnership Description

New Haven, CT, has a strong tradition of ambitious public initiatives in affordable housing production, community development and urban revitalization. The virtual withdrawal of the federal government from the housing arena in the 1980s, however, created a vacuum in large-scale redevelopment efforts. The New Haven Partnership for Community Development (NHPCD) was formed in 1989 in recognition of Community Development Corporations (CDC's) and their potential to become effective vehicles for neighborhood revitalization. Linked to Science Park, the joint city and Yale University venture for new economic revitalization and job creation, the vision for NHPCD was to support four specific CDCs and to increase their internal organizational capacity to gain a positive track-record of housing development.

The New Haven Partnership's approach to CDC capacity building and project-specific results fit well with The Community Builder's (TCB) orientation, which emphasized the importance of strong neighborhood community-based nonprofits with their own internal motivation and vision for community improvement. TCB believed that a citywide partnership organization is rarely a successful substitute for neighborhood-based organizations and initiatives. Therefore, in New Haven, TCB planned to spend most of its time providing project-specific technical assistance to three of the four CDCs, as well as to three other community-based housing efforts exhibiting other forms of partnership.

The four participants in the New Haven Partnership for Community Development included Newhallville Restoration Corporation, Dixwell Community Development Corporation, West Rock Development Corporation, and Hill Development Corporation--as well as Science Park, Yale University, and the City of New Haven. Part-time staffing was provided through Science Park Development Corporation.

Other housing partnership-type efforts that received assistance from TCB included the Elm Haven Residents Association, the YMCA of Greater New Haven, and the New Haven Mutual Housing Association. In advising these development efforts, public-private partnerships among the major banks, community foundations and state and local agencies significantly increased the level of support provided for nonprofit affordable housing in New Haven. In addition, the base of practical experience among these institutions was expanded (so that future efforts could be supported more readily.)

TCB provided one-on-one development assistance to organizations as well as a small amount of multi-organizational development training. Community Training and Assistance Corporation, under a subcontract with TCB, provided individualized organizational training and strategy development to three organizations requesting assistance.

Community Approach to Low-Income Housing

New Haven's overall response to affordable housing was to address specific development proposals on a case-by-case basis, providing funding in limited amounts from the federal funds available. The city attempted to respond to two tiers of overall housing need: older homeownership neighborhoods and larger rental housing developments. City government provided limited but steady, core operating support to the four neighborhood-based CDCs out of Community Development Block Grant funds in the amount of approximately $100,000 each. All four of the CDCs in the NHPCD have mainly focused on smaller scale developments. Two CDCs completed 30-40 units each of housing while a third CDC was in the process of building a 40-unit infill senior citizen housing development. The fourth, with which TCB did not work closely, concentrated for nearly 10 years on small-scale, owner-occupied rehabilitation and infill new construction efforts.

Role of Partnership

NHPCD primarily served as a forum for CDCs to seek mutual support, share experiences, receive limited amounts of seed money, and participate in a modest level of training and capacity building. TCB conducted a series of workshops on financing and other development related topics as part of NHPCD's regular meetings. Each of the nonprofits worked on its own development agenda in which TCB provided varying degrees of technical assistance. At West Rock CDC, for example, TCB assisted in launching a 40-unit senior citizen housing development for which NHPCD provided seed funding. TCB provided assistance to Newhallville Restoration Corporation in planning a scattered-site rehabilitation effort aimed at encouraging owner/occupancy and turning around strategically targeted dilapidated buildings. TCB provided assistance to both the Dixwell CDC and the Elm Haven Residents Association in planning the large scale redevelopment of Elm Haven -- a large public housing project.

TCB also provided in-depth assistance to the YMCA of Greater New Haven in its effort to rehabilitate the New Haven YMCA into 148 units of Single-Room-Occupancy housing. For this project, four local banks committed a total of $6.6 million in equity (paid in over a four-year time period) and community foundations provided $300,000 in seed money loans. Additional funding came from the state of Connecticut Department of Housing ($4.1 million), City of New Haven CDBG funds ($51,000), a HUD-funded homeless prevention and job training program, and a property tax abatement. All of these specific actions created replicable precedents which will be useful as other developments move forward out of their planning stages and into implementation.

Project-specific progress was slow, but six community-based affordable housing efforts were moving forward as a result of the technical assistance provided. Each required a high degree of persistence and patience and some of the benefits may not be evident until some time in the future. As of the end of 1993, there was an expanded level of development activity in the pipeline and a more supportive environment among city, state, and private sectors as a result of TCB's activities supported by the HUD Public-Private Partnership program. Due to the Partnership's activity and technical assistance that was provided in New Haven, community-based organizations should be able to increase the amount of affordable housing that will be produced in the next two to four years.

PASADENA, CA

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
131,591	10%	57%	19%	27%	$35,103	$40,435	21%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
5%	$1,257	$630	14%	43%	44%	51%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
47%	49%	41%	31%

* See Description of Terms

Partnership Description

During the 1980s, Pasadena, CA, emerged as an employment center with an increasing number of white collar workers competing with Pasadena's low- and moderate-income residents for housing. Over half of Pasadena's residents were renters, 35 percent of whom were very low-income. Another 24 percent are low-income and the majority paid more than 30 percent of their income for housing. Overcrowding and substandard conditions were also problems for rental housing.

Participants in Pasadena's housing delivery system partnership who sought to address these conditions were the city, Pasadena Neighborhood Housing Services (PNHS), the Housing Authority, Pasadena Heritage, and local lenders. The National Development Council (NDC) provided project specific technical assistance as well as housing development finance training to all the participants in this affordable housing delivery system, giving it additional strength and resources to produce affordable housing units. The Pasadena Housing Alliance (PHA) was formed as another nonprofit development group.

NDC provided assistance to PNHS and PHA to help them become full-fledged housing developers.

Community Approach to Housing

Before the HUD initiative, Pasadena had already taken steps to create more affordable housing. Zoning density bonuses and residential development ceiling exemptions were offered to developers as incentives for affordable housing development. Over $500,000 of annual CDBG funds were devoted to low-income housing. Housing that will remain affordable for 20 years was exempted from the city's housing construction cap. Pasadena assisted in the conversion of a downtown YMCA into Single-Resident-Occupancy housing. The city's priorities before and during the HUD initiative were to provide affordable rental and ownership housing for families. Pasadena had a Housing Trust Fund to provide annual housing subsidy funds, and the state provided annual subsidies through its Proposition programs. Financial institutions were willing lenders in city subsidized, low-income housing projects, but the nonprofit development sector was nonexistent except for homeownership rehabilitation activity assisted by PNHS.

Role of the Partnership

NDC assisted many specific projects during the HUD Public-Private Partnership program. For example, NDC provided assistance to a privately developed condominium project in which one-third of the units were sold at below-market prices. Pasadena City provided construction financing and second mortgages to low-income buyers for these units. In addition, NDC provided assistance for a 21-unit multifamily project developed by a private minority developer, using Pasadena Development Commission money and state loan money. NDC also provided assistance with the Partnership's seven-unit Lincoln/Blocs homeownership project and an 11-unit project underway at the end of 1993. NDC also advised the city on how to minimize their pre-development risk in cases in which other funds were not available to cover cost overruns.

The increased capacity of city housing staff to do project development, to assess development risks, and to maximize the use of city resources was the greatest legacy of the HUD-funded partnership activities. The provision of on-site technical assistance to Pasadena nonprofit housing organizations by NDC left them better able to produce affordable housing units.

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
1,585,577	-6%	54%	40%	5%	$24,603	$30,140	32%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
11%	$570	$452	20%	65%	55%	34%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
56%	65%	57%	37%

* See Description of Terms

Partnership Description

Various estimates put the homeless population in Philadelphia, PA. at between 15,000 and 30,000 persons. During the 1980s, due to disinvestment, deterioration and increases in housing costs, the city lost more than 66,000 affordable rental units, creating a shortage of 35,000 to 40,000 units for low-income tenants. In 1990, the city had 15,774 boarded-up, abandoned units, up from 12,225 in 1980.

LISC is involved in a complex network of ongoing partnership activities in Philadelphia, involving strategic planning, capacity building and housing production to address these conditions. Planning activities include: the Homeownership Task Force of the Greater Philadelphia Urban Affairs Partnership; the Advisory Committee to the Public Interest Law Center producing "The Philadelphia Affordable Housing Agenda"; and a series of neighborhood strategic planning processes conducted by Community Development Corporations (CDCs) with the support from the Philadelphia Neighborhood Development Collaborative (PNDC).

PNDC provides capacity building support including training, technical assistance and operating support for 13 CDCs. PNDC capacity building funders are: Philadelphia LISC, Pew Charitable Trusts, Philadelphia Foundation, Philadelphia Development Partnership, William Penn Foundation, and the Ford Foundation.

Predevelopment support and project financing are provided to CDCs by Philadelphia LISC, local foundations, LISC's National Equity Fund, banks, the City of Philadelphia, and the state of Pennsylvania's Department of Community Affairs and Housing Finance Agency.

Community Approach to Low-Income Housing

Increasingly, the Philadelphia community is tapping new sources of funding for CDCs and coordinating public- and private-sector efforts. Prior to 1991, there was no public-private partnership to provide core operating support to CDCs. In late 1991, PNDC was established to serve this purpose. The city is now providing predevelopment financing in coordination with the private sector through LISC. Also, public and private investments in CDC housing development were previously made on a spot basis, not necessarily coordinated as a part of a broader strategy to revitalize the low-income neighborhood in which the housing was being developed. In 1993 the community was relying more frequently on strategic planning to direct its efforts and investments. The city committed $300,000 to help 10-12 CDCs and CDC collaborations develop neighborhood strategic plans which document needs and identify specific development objectives. Philadelphia LISC and other private intermediaries helped the city review and select the recipients of this assistance.

Role of Partnership

The PNDC began providing $4,350,000 in 1992 in capacity building aid for 12 CDCs. These CDCs undergo organizational assessments and develop strategic plans to guide the growth and development of their organization. Once these plans are completed, CDCs receive operating support for three years to carry out activities specified in these plans and cover the costs of a broad range of training and technical assistance activities. With funding from the HUD Public-Private Partnership program, CDCs received training in rental housing development and management and homeownership development. CDCs also develop strategic plans for neighborhood redevelopment.

Partners provide various kinds of financing for CDC rental and homeownership development projects. Between 1991 and 1993, 31 nonprofits initiated 36 projects encompassing 606 units of affordable housing and 28,000 sq. ft. of related neighborhood commercial and community space. These projects total more than $61 million in investments.

- Philadelphia LISC has made 44 financing commitments totaling $2,756,910 and augmented its predevelopment financing resources with city CDBG funds. The city obligated $200,000 in FY 1993 CDBG funds to Philadelphia LISC for this purpose.

- LISC's National Equity Fund (NEF) provided $17.4 million in net equity to 10 rental development projects financed with equity generated by the federal Low-Income Housing Tax Credit.

- The local banking community committed $8 million in equity to NEF to support these tax-credit financed projects, including: $2 million from PNC Bank; $3 million from Mellon Bank; $2 million from Meridian Bancorp; and $1 million from First Fidelity Bancorporation.

- Through the CDBG and HOME programs, the city committed approximately $12 million in grants to these 36 projects. The balance of project support and financing comes from local foundations and the Pennsylvania Housing Finance Agency.

With support from HUD Public-Private Partnership funds, LISC was able to assist in the garnering of these financial resources for CDC housing development.

PORTLAND, ME

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
64,358	4%	97%	1%	1%	$26,576	$34,837	22%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
10%	$879	$604	14%	62%	38%	52%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
75%	58%	49%	8%

* See Description of Terms

Partnership Description

In the late 1980s, the Portland, ME, real estate market changed dramatically; many properties that had been over-financed were facing foreclosure, vacancy rates were skyrocketing and rents were decreasing. At the same time, 70 percent of the Portland Housing Authority (PHA) applicants spent more than 50 percent of their incomes on housing costs and another 10 percent were homeless. In 1991, Maine ranked 46 among the 50 states for affordable housing according to the 1991 Development Report Card of the Corporation for Economic Development. To address these conditions, The Community Builders (TCB) explored whether a formal partnership could be established that would support local non-profits emerging as significant developers of affordable housing. The key players in this effort included the city's Planning and Urban Development Department director and Development administrator, one key City Council member, the Portland City Council Housing Committee, the PHA, and the Maine State Housing Authority. The local nonprofit organizations included the Portland West Neighborhood Planning Council (PWNPC), Cumberland County Affordable Housing Venture, York Cumberland Housing Development Corporation, and People's Regional Opportunity Program (PROP).

The most clear leadership to form a housing partnership came from a City Council member on the Housing Committee, who was very interested in understanding and tackling Portland's affordable housing problems. Additionally, the development administrator for the city, who was the primary designer and technician of city housing programs and helped organize the Portland Housing Alliance, was very enthusiastic about the prospect of pulling together the various affordable housing actors and devising a coordinated strategy for allocating scarce resources. The leadership and initiative of both the council member and the city administrator encouraged TCB to try to foster discussions between the local nonprofits and the other players in the affordable housing arena to determine whether a partnership was possible, while also looking for significant development opportunities around which the non-profits could organize.

The partnership's purposes were to identify a strategy for allocating scarce resources; to develop a strategy for turning the high number of vacant units and the large inventory of foreclosed housing into affordable rental and homeownership opportunities; and to support affordable housing development efforts of both nonprofit and for-profit organizations.

The Portland Housing Alliance, formed in 1990 to meet the requirements of a state bond bill, was considered a possible vehicle for organizing a more formal partnership. The Housing Alliance functioned as an advisory group to the City Council and represented local neighborhoods, nonprofits, developers, banks, realtors, the Social Service Administration, and the League of Women Voters. However, during the spring of 1992, the Alliance was divided in its support for affordable housing development efforts in one particular neighborhood of Portland. At the same time, there was a shift in city priorities and politics. With a new Housing Committee in place, there was concern over the ability to rally support for affordable housing in light of very high recent property tax re-evaluations. In addition, there was an acknowledgment that the existing nonprofits did not have the capacity or public support needed to carry out new housing development which could, in turn, be supported by a partnership. Given these factors, there was no clear path to solidify a formal partnership effort.

Community Approach to Low-Income Housing

Traditionally, affordable housing development efforts in Portland were largely financed through the Maine State Housing Authority's Rental Loan Program and Acquisition Program and through the City of Portland's Rental Rehabilitation and Portland Development Fund programs. These programs continued to be the primary sources of financing for affordable housing during the course of TCB's work in Portland. Affordable housing production by nonprofit groups was sporadic and of a generally small-scale.

Role of Partnership

Political conditions in Portland changed during the period in which TCB worked to determine whether the creation of a housing partnership was realistic. As a result, no formal partnership emerged. TCB provided preliminary feasibility analyses to the Portland West Neighborhood Planning Council for the 8-unit Rosa True development (which was completed), the 8-unit Tate Street development (which was pursued as affordable housing by a different development entity), and the re-financing of approximately 40 units in PWNPC's existing portfolio. Additionally, a variety of properties were reviewed as potential affordable housing development sites. TCB also worked with PROP and the Cumberland County Affordable Housing Venture to review their goals and consult on a variety of approaches encouraging the development of affordable housing.

PORTLAND, OR

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
437,319	16%	85%	8%	3%	$25,592	$32,424	19%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
6%	$904	$397	14%	50%	46%	44%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
57%	57%	47%	31%

* See Description of Terms

Partnership Description

The Oregon Community Foundation (OCF), of Portland, OR, created the Neighborhood Partnership Fund (NPF or Partnership) in 1990 to help reverse the deterioration of Portland's low-income neighborhoods by enhancing the ability of neighborhood residents and organizations to become effective participants in the affordable housing development process. Between 1980 and 1990, there was a 20 percent increase in the number of people living below the poverty line in Multnomah County (which includes Portland), totaling more than 75,000 in 1992. In addition, between 1985 and 1990 average rents increased at twice the rate of incomes.

In 1989 OCF conducted an extensive community assessment involving 80 local public, private and nonprofit organizations and studying the experience of other communities to identify the key resources needed for the success of community-based development. In September 1990, OCF committed a four year grant which, in conjunction with a grant from the Ford Foundation, provided start-up funding for NPF.

The mission of the Partnership was to create a strong industry of community-based development corporations in Portland's low-income neighborhoods. To achieve this mission, NPF planned to provide operating support, project technical assistance and loan packaging, and predevelopment funding and construction financing for local Community Development Corporations (CDCs). Organizational development and training were also part of NPF's objectives.

Financial support came in 1991 from the City of Portland, local banks and utilities. The city provided $20,000 for Enterprise Technical Assistance before the HUD Public-Private Partnership program and another $18,000 for additional Enterprise capacity building technical assistance for the Partnership, the city and nonprofit housing developers. Enterprise selected NPF to administer $450,000 in grants for operating support and $1 million in predevelopment financing from the National Community Development Initiative (NCDI) over three years. NCDI, a national program funded by several foundations, provides general operating support and predevelopment financing for CDC development of low- and moderate-income housing.

In its first three years, NPF concentrated on creating new CDCs as well as strengthening existing ones by focusing on their organizational development. As those groups developed capacity and increased housing production, NPF began to place increased emphasis on strengthening the external systems of support for community-based development. This included establishing the Housing Development Center (HDC) in 1993 to address the need for technical assistance. HDC's two-person staff provided assistance with loan packaging and construction management to nonprofits developing low-income housing in Multnomah County. NPF also worked with Enterprise and city agencies to develop programs that would make effective use of nonprofit housing developers.

Community Approach to Low-Income Housing

Historically, the Portland Development Commission (PDC) and the Housing Authority of Portland were the principal providers of housing services to low-income families and individuals. PDC was an effective manager of low- and moderate-income housing rehabilitation programs. In the few years prior to the HUD Public-Private Partnership program, neighborhood CDCs began to rehabilitate housing for low-income buyers and renters. The financial and managerial capacities of the private sector, including banks and savings and loans, were not mobilized to their full extent to benefit low-income housing.

Prior to the creation of NPF, there was no city wide nonprofit organization to mobilize private sector participation, to support the housing efforts of CDCs, or to act as a housing developer. Enterprise's assessment in 1990 concluded that some of Portland's neighborhoods could become very severe problems in the future without targeted assistance and a means of attracting sustained revitalization support.

Role of Partnership

During the HUD Public-Private Partnership program, NPF developed programs to provide funding for a number of community needs. For example, NPF's Community Organizing Grants awarded $75,000 each year in individual grants of up to $7,500 to support neighborhood-based community organizing activities. In 1994, NPF sponsored a six-week Leadership Development Training Program for community activists. The Partnership helped up to five new CDCs get started each year through a six-month training program for the boards of directors followed by a two-year grant for operating support and technical assistance in developing initial housing projects. In 1992 and 1993, NPF trained 50 board members of ten fledgling CDCs, teaching them the theory and practice of community-based development and helping them prepare a two-year business plan.

Each year NPF provides up to two mature CDCs with a one-time grant for an organizational self-assessment and a three-year grant for operating support to carry out the action plan produced in the self-assessment process. As of September 1993, NPF had accepted four CDCs into the program. NPF offered a series of workshops on business planning, property management, construction management, and financing for nonprofit housing developers in Oregon.

In 1993, the City created a working group. It was charged to make recommendations to help the City work more efficiently with nonprofits. Enterprise worked with the city on implementing the resulting recommendations. It is expected that a city-funded support group for nonprofits, and new financing guidelines for use of Community Development Block Grant and HOME funds, will develop as a result of the working group's recommendations. In addition, in the future NPF hopes to create a local loan fund to address the needs of nonprofit housing organizations as well as neighborhood-based community organizing groups.

Enterprise also provided technical assistance during the HUD Public-Private Partnership program to the city, the Partnership and nonprofit housing providers on organizational, program and project development. During this period, Enterprise committed $40,642 to five nonprofit Portland housing developers under the HOME Technical Assistance to CHDOs Program. These funds may be used for operational support and/or the cost of Enterprise technical assistance for housing development, management and homeowner education. The five nonprofits are: Rose Community Development Corporation ($11,388), Housing Our Families ($7,813), Sabin Community Development Corporation ($11,167), REACH CDC ($6,221) and Franciscan Enterprise of Oregon ($4,053).

As of December 1993, Enterprise had disbursed $299,725 in grants and $483,000 in loans to Portland for a total of 106 units of housing. In addition, between 1991 and 1993, The Enterprise Social Investment Corporation (ESIC), a subsidiary of Enterprise, provided $6,708,819 in equity to finance four projects with a total of 381 units. ESIC also co-manages the Oregon Equity Fund in Portland, which was established in 1993 for investing in low-income housing projects in Oregon.

PROVIDENCE, RI

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
160,728	2%	70%	15%	15%	$22,147	$28,342	29%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
12%	$839	$469	23%	66%	32%	56%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
71%	67%	59%	39%

* See Description of Terms

Partnership Description

Various attempts beginning in 1987 to create a citywide public-private housing partnership in Providence, RI, finally resulted in the establishment of the Providence Plan Housing Corporation (PPHC) in 1992. PPHC was formed at the urging of newly elected Mayor Vincent Cianci, who announced an ambitious multi-faceted campaign in early 1991 called The Providence Plan to attack the root causes of urban poverty. Dramatic increases in absentee ownership and highly-leveraged financing had caused high rates of abandonment in Providence. In fact, a city-sponsored survey in 1991 found that over 500 buildings were abandoned.

PPHC is composed of representatives from the state Housing Finance Agency (the central player in all affordable housing efforts in Rhode Island), elected officials, area universities, the grassroots community, and relatively minor participation from the private banking and employment sectors. Although the City of Providence played the central role in PPHC and provided virtually all of the funding, the diversity of other representatives created elements of an independent, community-based, partnership-style entity. The Partnership tried to find a balance between operating PPHC as a department of city government and an independent community-based housing enterprise; usually, the city department model dominated.

A broad-based board of directors was appointed to oversee PPHC's activities. A director for the Partnership was hired in 1992 and a staff of 20 individuals was recruited in 1993. Funding for the entire operating budget came from the City of Providence.

Following the initial development of the Partnership, The Community Builders (TCBs) role became focused on supporting the local nonprofit development organizations in their efforts to be heard in the PPHC planning process. TCB also provided technical assistance to individual groups on their specific development efforts. The Community Training and Assistance Corporation, under its sub-contract with TCB, provided individualized organizational development training and strategy advice to six different, locally based, nonprofit housing groups.

PPHC's initial program was to aggregate a significant level of new financial resources that encourage and support community-based nonprofit housing organizations to carry out intensive efforts to revitalize targeted low-income residential neighborhoods. The program included: 1) low-interest rehabilitation loans and grants to owner/occupants; 2) development support to local nonprofits for the purchase and substantial rehabilitation of absentee-owned, badly deteriorated multifamily structures; and 3) scattered-site new construction of owner-occupied single-family housing.

Community Approach to Low-Income Housing

Low-income housing production in the City of Providence over the past five to 10 years was characterized by supporting the most insistent development activities initiated by grassroots, community-based, nonprofit housing organizations on an ad hoc basis. Limited financial support from the city was gained by persistent lobbying on the part of the local community group. Most development took place without much of a sense of coherent strategy or overall direction.

The founding of PPHC seemed to hold out hope for a more comprehensive and coherent approach toward building upon the strengths and experiences of the best of these neighborhood-based efforts. The Partnership was to encourage local groups to focus on neighborhood-wide revitalization strategies. However, as PPHC became more reactive, the chance and desire to be strategic appeared to be slipping away again. In addition, PPHC adopted a series of programmatic guidelines that effectively eliminated some of the most important neighborhood revitalization activities. For example, citing reasons of cost control, PPHC set arbitrary per unit rehabilitation limits that made it virtually impossible to substantially rehabilitate badly deteriorated absentee-owned buildings for rental or cooperative housing. Further, a strong sense developed among many nonprofit community housing groups that PPHC had become hostile to neighborhood nonprofits in a desire to be its own developer.

Role of Partnership

Neither neighborhood targeting nor community-based nonprofit housing organizations played the central role that was originally envisioned. Although PPHC funded a number of neighborhood-focused strategy studies, there was an overt resistance to rental development and a suspicion of comprehensive development plans. Rather, there was a strong emphasis on a singular program--a consumer demand-driven homeowner repair available citywide.

PPHC has supported a number of worthwhile initiatives and substantially increased levels of housing funding, however. PPHC successfully created a $10 million multi-purpose loan pool, funded through the HUD Section 108 program. In addition, PPHC now oversees the entire allocation of HOME funds for the city totaling approximately $1.5 million annually. PPHC supported a 136-unit first phase of a 22-acre, 300-unit, mixed-income, community-based, affordable housing development in South Providence, a project with a long history prior to PPHC's formation. It also provided critical gap financing, as well as site assembly and preparation services, for a 250 unit multi-neighborhood, first-time home buyer, new construction Nehemiah effort sponsored by a community-based nonprofit. It functioned as a "land bank", taking over bank foreclosed real estate.

The increased level of resources available for affordable housing made possible a significant increase in affordable housing production and capacity building by community-based nonprofit development groups. However, these groups will still need to lobby hard to persuade PPHC to fund specific development projects.

Once PPHC stabilizes, it is hoped that some of the delays in decision-making and resource allocation for which PPHC was vigorously criticized will significantly diminish. It is also hoped that some of PPHC's original strategic focus will play a larger role in its future direction. If this happens, a new support center that effectively encourages affordable housing production and neighborhood revitalization will itself be a sign of hope for Providence's struggling neighborhoods.

RENO, NV

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
133,850	25%	86%	3%	11%	$28,388	$36,200	16%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
7%	$929	$492	11%	13%	40%	53%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
47%	53%	44%	25%

* See Description of Terms

Partnership Description

The city of Reno, NV, has an informal housing delivery system partnership with local lenders, nonprofit housing developers, and the Affordable Housing Resource Council (AHRC, formerly the Northwest Nevada Housing Development Corporation), a nonprofit begun by the local building industry. Capacity building for local nonprofits, lenders and city staff was a priority for the National Development Council (NDC) and local partners during the HUD Public-Private Partnership program. The Community Service Agency and the Affordable Housing Resource Council were the two major nonprofits working in Reno between 1991 and 1993.

Much of the local leadership for the informal partnership was provided by a board member and founder of the AHRC who was affiliated with the local legal services office. AHRC has a 10-member board composed of nonprofits, developers, lenders and business representatives who meet monthly.

The goal of the Reno informal partnership was to provide affordable rented housing units for low-paid casino workers and for the city's homeless population. The two greatest needs were rental units for small families and shelter housing for the large homeless population.

Community Approach to Low-Income Housing

Prior to 1991, Reno had taken some steps to provide affordable housing. The city raised motel/hotel taxes by $2 million to provide shelter for the homeless. One-third of the city's CDBG funds were earmarked for housing. The city also participated in the HUD Rental Rehabilitation program. Money from MGM Grand building permit fees were earmarked for housing.

There was a need for strengthening the capacity of local nonprofit housing development corporations in Reno. Prior to 1993, no Low-Income Housing Tax Credits had been used for low-income housing in Reno.

Role of Partnership

NDC staff were instrumental in reviving the Northwest Nevada Housing Development Corporation, now the Affordable Housing Resource Council. Operating funds for the Council were secured through the city and private sector in 1993, and AHRC hired a director and began working on its first Low-Income Housing Tax Credit project. AHRC's role is intended to be a catalyst and provider of technical assistance to nonprofit affordable housing developers in Reno.

NDC provided Reno housing staff and nonprofits with technical assistance and training for housing development finance. Technical assistance enhanced the understanding of nonprofits, city staff and local lenders with respect to housing development. NDC also assisted city staff in the review of Community Development Block Grant and HOME proposals, including the structuring of financing to make these proposals feasible.

The Reno Housing Authority received $300,000 in HOME money from the city in 1992 to acquire a downtown motel currently being operated as a single room occupancy dwelling. The Housing Authority plans called for renovation of the rooms and adding space for social services and tenant activity. Property management of the project will also be converted to a long term lease focus; current ownership rents rooms on a short term basis. NDC was instrumental in drawing up the loan agreement between the city and the Housing Authority to make this project feasible.

In 1993 the Community Services Agency, a major nonprofit in Reno, was in the predevelopment stages of a 40-unit elderly/handicapped facility. NDC assisted in evaluating sites and structuring various financing packages for this development.

RICHMOND, CA

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
87,425	--	36%	44%	14%	$32,165	$36,657	27%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
5%	$906	$566	16%	36%	52%	43%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
49%	53%	45%	36%

* See Description of Terms

Partnership Description

In early 1992, LISC organized and led a strategic planning session with public- and private-sector lenders in Richmond, CA. The process resulted in consensus of the participants for a specific affordable housing development plan. Representatives from Bay Area LISC, four Community Development Corporations (CDCs) and other service-oriented nonprofit groups, four lending institutions and several agencies from the city and county participated. Subsequently, these representatives formed a Task Force to implement this affordable housing development plan. The Task Force is composed of LISC, three lenders, six CDCs and six city staff members, including the directors of the redevelopment agency and the housing authority.

The Task Force is focusing on four major needs identified in the city's Comprehensive Housing Affordability Strategy (CHAS): building CDC capacity to increase housing production in distressed neighborhoods; developing single-family homes affordable to first-time home buyers; designing a comprehensive first-time home buyer training program; and using housing to stimulate neighborhood economic development. Another Task Force goal was to develop neighborhood plans.

Community Approach to Low-Income Housing

The most dramatic change in the community's approach to low-income housing was in developing housing for and providing assistance to first-time home buyers. Prior to the HUD Public-Private Partnership-supported strategic planning session, the Richmond community did not have a coordinated program for first-time home buyers, nor was there a consensus among the public and private sector on how to serve this need. Prior to 1991, there was no comprehensive counseling for home buyers. Furthermore, there was no process for incorporating housing development into an overall strategy for revitalizing neighborhoods. There was only one active CDC developing housing, the Richmond Neighborhood Housing Services. Leadership in the Richmond community from the city's Redevelopment Agency, lenders, and CDCs, particularly the newly formed Community Housing Development Corporation of North Richmond and Richmond Neighborhood Housing Services, with the help of the Bay Area LISC, have formulated and are implementing a comprehensive first-time home buyers program.

Intensive counseling to help pre-qualify buyers is provided by the Contra Costa Legal Services Foundation under contract with the Housing Development staff of the City of Richmond's Redevelopment Agency and in combination with the CDCs. The city plans to provide financial assistance both for downpayments and mortgage insurance.

Role of Partnership

Program partners have provided training and operating support to build CDC capacity. LISC's Bay Area Housing Support Collaborative (BAHSC) is providing multi-year operating support to Community Housing Development Corporation of North Richmond. The city is providing support to Richmond Neighborhood Housing Services. Both CDCs participated in BAHSC's year-long real estate development training program. Funders of BAHSC include the Bay Area LISC, Home Depot Corporation and seven foundations: Hewlett, Irvine, San Francisco, Pacific Telesis, Marin County Community, Peninsula Community, and Walter and Elise Haas Foundations.

Eighteen representatives from five Richmond CDCs and the public and private sector participated in a one and a half day training workshop on homeownership supported by HUD Partnership funds.

In addition to the overall strategic planning coordination and training, the HUD Public-Private Partnership funds were used by LISC to cover the consultant's costs of preparing neighborhood strategic plans for two CDCs. These plans complement the city's other planning documents by analyzing neighborhood conditions; determining resident preferences; and defining what and where the best development opportunities are.

In 1993 the HUD Partnership funds also supported a home buyer training program for first-time homebuyers conducted by Contra Costa Legal Services. Between 1991 and 1993, Bay Area LISC has committed $295,000 in predevelopment funds to two CDCs. These funds cover the cost of items such as: site control; preliminary architecture and engineering; environmental assessments; an attorney, consultant, and tax credit application fees.

In 1992, the city committed $100,000 in revolving lines of credit to each of five CDCs. Two banks, the city and the state have made $5.7 million in construction loans to CDCs. Three banks, the city and the state have provided $5.6 million in permanent financing. By the end of 1993, 13 new units were under construction and an additional 73 in the predevelopment stage.

SACRAMENTO, CA

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
369,365	33%	60%	15%	16%	$28,183	$33,087	31.5%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
6%	$811	$495	17.2%	26.6%	48%	46%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
59.7%	64%	43%	34%

* See Description of Terms

Partnership Description

The Sacramento Housing and Redevelopment Agency (SHRA) serves as the focal point for housing assistance programs for Sacramento City and County. As the HUD public-private partnership program began in 1991, non-profits and local lenders were looking for ways to assist in the development of affordable housing in cooperation with the SHRA. Sacramento has a strong institutional and political commitment to housing. In addition to the programs of SHRA, the City and the County have adopted a "Fair Share" plan for the location of public housing, created a Housing Trust Fund, a Tax Increment Fund and a Housing Task Force which produced a comprehensive housing strategy and action plan. The Sacramento Housing Trust Fund is funded through exactions on commercial development. The Tax Increment Fund is funded through the pledge of additional property tax increments in redevelopment areas. The non-profits active in the community are the Mutual Housing Association, the Rural California Housing Corporation, Neighborhood Housing Services, Mercy Housing and Transitional Living and Community Support. All have offices in Sacramento.

Low Income Housing Conditions

Sacramento is a fast-growing city with rapidly escalating housing prices. The available assisted housing in Sacramento serves only a fraction of the need. Housing prices rose substantially during the late 1980's and early 1990's. Rents are also increasing significantly. Although the local economy is expanding and many new jobs are coming into Sacramento, they are relatively low paying positions that make it impossible for many residents to pay market rate rents.

Community Approach to Low-Income Housing

Sacramento has demonstrated a high level of support for affordable housing programs through the dedication of tax dollars, bond proceeds, CDBG funds and staff resources. Exactions from developers provide between $3 and $4 million annually for the local housing trust fund. The goal of the HUD partnership was to more fully involve non-profits with lenders in the development of affordable housing to enhance the already established programs of SHRA. Local lenders have historically provided construction and permanent financing for projects in which SHRA was involved.

Role of the Partnership

The major product of the HUD partnership is an increased level of expertise among Sacramento non-profits, specifically Mercy Housing and the Sacramento Mutual Housing Association. The number of lenders knowledgeable about assisted housing and who are willing to work with non-profits has increased. Gap financing from the City and County has increased, allowing development of more affordable housing. NDC staff has provided extensive on-site, project-specific technical assistance/training to both non-profit and SHRA staff, raising their level of expertise and sophistication in housing development finance. A two-day course on Housing Finance training was held for city, county and non-profit staff. This training was hosted by SHRA and provided by NDC.

Specific projects on which NDC staff provided technical assistance included:

- Review and financial structuring of city Low Income Housing Tax Credit projects to determine financial feasibility;

- On-going work with SHRA to form a lender consortium for interim construction financing;

- Pre-development activities with SHRA to develop a 25-unit co-housing project, a model similar to cooperative housing, but with congregate dining facilities;

- Work with the Mutual Housing Association in reviewing feasibility of available troubled properties, and structuring financing options for acquisition;

- Development of administrative procedures for the city/county Housing Trust fund;

- Development of an SHRA strategy to deal with preservation projects (HUD Section's 236 and 221(d)(3) which provides for non-profits as owners and the city as owner of "last resort".

- Review of proposals from non-profits to the City/County Housing Trust fund; and

- Technical assistance to SHRA in the pre-development phase of the Taylor Terrace Project, a 160-unit multifamily rental property. SHRA was in danger of losing their $600,000 investment unless this project was "put into service" by the end of 1993.

The partnership in Sacramento is effective but remains informal. Lenders, non-profits and the City all work well together with leadership from SHRA. Lender participation is good due to Community Reinvestment Act requirements coupled with a "boom" market.

SAN ANTONIO, TX

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
935,933	16%	72%	7%	55%	$23,584	$26,885	22%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
11%	$585	$369	22%	18%	48%	41%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
64%	52%	44%	26%

* See Description of Terms

Partnership Description

The City of San Antonio Housing Trust (the Housing Trust), of San Antonio, TX, was created in 1988 with the purpose of providing grants and below-market rate and deferred interest loans to nonprofit and for-profit, public and private housing developers, with a special emphasis on affordable inner-city housing. Substandard and overcrowded housing is twice as common among poor households in San Antonio as nationally. Forty-four percent of poor households live in moderately to severely substandard housing.

The Housing Trust only finances housing. The Declaration of Trust passed by City Council limits the Trust's funds to projects within the I-410 loop, which is considered the inner city. Thirty percent of funds must be used for projects within the smaller downtown area.

The Housing Trust was formed in partnership with Communities Organized for Public Services (COPS), the San Antonio Coalition of Neighborhood Associations (SACNA), and then-Mayor Henry Cisneros as a vehicle to address San Antonio's serious housing problems. The Housing Trust also enjoyed strong support from the City Council. It is governed by an eleven member Board of Trustees appointed by the City Council. The Board of Trustees recommends proposals for Trust assistance for approval by the City Council.

The Housing Trust was capitalized with $10 million in proceeds to the city from the sale of the cable TV franchise in March 1989. Loans and grants are made only from the interest earned on this corpus.

At the invitation of the Housing Trust, the Enterprise Foundation (Enterprise) conducted an informal assessment in 1991 of local housing needs, capacities, and opportunities for expanding the production of low-income housing and selected the Housing Trust to administer $450,000 in grants for operating support and $900,000 in loans from the National Community Development Initiative (NCDI). NCDI is a national program funded by several foundations which provides general operating support and predevelopment financing for community development corporation (CDC) development of low- and moderate-income housing.

The executive director of the Housing Trust served as the sole professional staff person until 1993 when the organization used Fannie Mae Partnership Enrichment Program (PEP) grant funds to hire a housing project manager. Under the HUD Public-Private Partnership program, Enterprise worked with the Housing Trust to provide training, technical and financial assistance to nonprofits funded by the Trust. The City of San Antonio executed a $20,000 contract with Enterprise to provide additional technical assistance and training for the Trust and CDCs.

The Housing Trust's focus was on low-income housing, both homeownership and rental. Through 1993, about 85 percent of households receiving housing assistance earned less than 50 percent of median and 12 percent of households less than 80 percent, while the remaining 3 percent of households earned between 80 and 120 percent of median income. Both rehabilitation and new construction projects were funded, although much of San Antonio's housing stock was too dilapidated to rehabilitate cost effectively.

Community Approach to Low-Income Housing

Traditionally, low-income affordable housing in San Antonio was developed primarily by the San Antonio Housing Authority and the San Antonio Development Agency. The San Antonio Housing Authority operated conventional public housing, administered Section 8 programs, and managed market-rate multifamily and single-family residences. The San Antonio Development Agency redeveloped substandard residential tracts for single-family replacement housing for families receiving federal relocation benefits. The level of production of low-income housing was constrained due to San Antonio's inadequate affordable housing delivery system, including inactive local lenders and a lack of community-based housing developers. The overall perception was that housing was low on the city's list of priorities.

Role of Partnership

In early 1992, Enterprise began the strategic planning phase of the HUD Public-Private Partnership program with the Trust. Enterprise also helped local city officials plan a Housing Summit, in which city department heads would present their housing related programs, identify target markets and products, review CHAS goals, and determine more effective ways to work together. Held in late 1992, the department heads agreed to create an ongoing work group called the Housing and Neighborhood Action Team, a "roundtable" to coordinate and strategize ways to improve the City's housing delivery system.

During the HUD Public-Private Partnership program, Enterprise provided technical assistance and training to local CDCs in preparation of applications for HUD 202 loans, Affordable Housing Program grants, and Low-Income Housing Tax Credits; in board and organizational development; and in development of business plans. Enterprise also helped the Housing Trust prepare and submit the Fannie Mae PEP application for a $75,000 grant.

As of August 1993, Enterprise had disbursed $407,271 in NCDI operating support grants and predevelopment loans. San Antonio also received funding during the HUD Public-Private Partnership program from The Enterprise Social Investment Corporation (ESIC), a subsidiary of the Foundation. USA Federal Saving Bank and BancOne C.D.C. committed a total of $6 million through

ESIC toward project equity and closed on its first syndication, the 29-unit Villa de Senior Citizens San Alfonso Apartments in 1993, in partnership with the San Antonio Housing Authority.

The creation of the Housing Trust marked the first significant effort in San Antonio to provide local resources for nonprofit affordable housing development. Assistance provided under the HUD Public-Private Partnership contract, combined with NCDI financial resources, enabled the Housing Trust to work aggressively to increase the capacity of nonprofit developers. Six nonprofits received core operating support grants and eight received technical assistance and training. While efforts were slow, there were promising signs that a number of emerging nonprofits would become viable producers of affordable housing. Also, the city government was taking a stronger interest in improving its housing delivery system. As of May 1993, the Housing Trust had provided over $4 million in Trust assistance to 29 projects representing 706 units.

In 1993, Enterprise committed $135,455 to six San Antonio nonprofit housing developers under the HOME Technical Assistance to CHDOs Program. These funds may be used for operational support and/or the cost of Enterprise technical assistance for housing development, management and homeowner education. The six nonprofits are: Avenida Guadelupe Association ($17,836), Neighborhood Housing Services of San Antonio ($14,823), Habitat for Humanity ($12,701), South Texas Housing & Community Development ($46,447), Inner City Development, Inc. ($18,441) and Southtown Main Street ($25,205).

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Househol d Income	Median Family Income	Female Househol d Families
1,110,549	21%	67%	9%	20%	$22,686	$39,318	18%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
6%	$1,099	$602	13%	16%	45%	49%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
52%	48%	39%	27%

* See Description of Terms

Partnership Description

San Diego, CA, faces three serious problems: continuing population growth, a growing disparity between resident income and housing costs, and an inadequate supply of decent affordable housing.

San Diego LISC is involved in an ongoing program with a variety of partners in strategic planning, capacity building and project financing for San Diego community development corporations (CDCs). LISC Partners include: CDCs; California Housing Partnership Corporation; the City of San Diego; United Way of San Diego County; LISC's California Equity Fund; banks and savings and loans; and Fannie Mae. HUD Public-Private Partnership-funded activities among these entities include: a Roundtable Summit on Nonprofit Development in April of 1992; a Task Force on Property Management begun in 1993; and a homeownership workshop. Intensive real estate development training was also provided by LISC. Predevelopment and project financing for CDC housing developments has been made available through various program partners. In particular, the program partners worked to help CDCs raise financial resources and development capacity to meet primary needs identified in the City of San Diego's Community Housing Affordability Strategy (CHAS): new construction, acquisition, and rehabilitation of rental housing units affordable to very low-income San Diegans. In addition, partners help CDCs pursue opportunities to develop homeownership housing.

Community Approach to Low-Income Housing

Prior to 1991, those nonprofits in San Diego that were developing housing concentrated primarily on affordable rental housing for senior citizens, much of it developed with Section 202 funds. As the population has grown, the affordable housing needs have become more diverse. In addition to senior citizen housing, there is a growing need for housing for low-income families. New approaches and different sources of financing were needed. The strategic planning, capacity building and project financing involved in the HUD Public/Private Partnership Project are changing the San Diego community's approach to low-income housing in several significant ways. The public, nonprofit and private sector partners established a common base of knowledge and understanding about the community's affordable housing needs and the approaches to meeting these needs. More diverse sources of financing are being tapped. The community is working together to design new programs in property management and homeownership development. Partnership activities have fostered dialogue and provided pertinent information and analysis to achieve this common understanding.

Role of Partnership

A significant amount of capacity building training has been provided by San Diego LISC and its partners. LISC's year-long development training program, begun in 1992 for 12 CDC staff members, covered real estate development, including financing and marketing. With support from HUD Public-Private Partnership funds, it also presented a rental housing management workshop, exploring management options, and LISC and the California Housing Partnership presented training workshops in homeownership development.

In addition, with support from HUD Public/Private Partnership funds and United Way of America, San Diego LISC and United Way of San Diego County are assisting two CDCs to devise a plan to deal with the crime and social problems in the communities surrounding their rental housing developments.

Between 1991 and 1993, LISC provided over $800,000 in predevelopment funds to 17 CDCs. These funds cover costs related to technical assistance, site control, preliminary architecture and engineering, preliminary financial packaging, and legal work. Over $14 million in project equity was provided by the LISC's California Equity Fund for 338 rental units. Fannie Mae has invested equity for 53 units. Bank of America and Wells Fargo Bank are making construction financing available. Various banks and savings and loans, including Citibank and International Savings Bank, are providing permanent financing, often in conjunction with the Federal Home Loan Bank's Affordable Housing Program.

San Diego faces three serious problems: continuing population growth, a growing disparity between resident income and housing costs, and an inadequate supply of decent affordable housing.

SAN JOAQUIN COUNTY, CA

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
480,628	--	74%	6%	23%	$30,635	$34,701	17%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
5%	$850	$489	15%	21%	55%	40%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
54%	48%	40%	29%

* See Description of Terms

Partnership Description

No formal partnership for the delivery of affordable housing units was established in either San Joaquin County or the City of Stockton, CA, the largest city within the County. With financial support from HUD's Public-Private Partnership program, the National Development Council (NDC) provided technical assistance to City of Stockton and local nonprofit staff to build technical capacity to structure and implement housing development.

In the early 1990s, housing prices in San Joaquin County rose sharply causing a serious affordable housing shortage. The problem was compounded by increases in the number of low-income agricultural workers, large families, and the homeless population. Thus the city's priorities were to preserve downtown Single-Room-Occupancy (SRO) housing and to provide more rental housing for families, particularly large families who were subject to overcrowding.

Community Approach to Low-Income Housing

The County of San Joaquin has committed Community Development Block Grant (CDBG) funds for housing, but production was limited. The focus of the County was on single-family homeownership, but due to the lack of any effective partnerships between the county, nonprofits, and lenders, there was not significant production in the county. The City of Stockton spent the majority of its CDBG funds on housing activities and also committed $700,000 annually in program income from its rehabilitation loan pool. In addition, the city has $2 million in tax increment funds from its redevelopment agency and an additional $200,000 a year for affordable housing. Asociacion Campesina Lazaro Cardenas (ACLC) was the only effective nonprofit in the county, although operating mainly in the City of Stockton. Additional nonprofit development capacity in the county is needed.

Role of Partnership

NDC staff provided extensive technical assistance to Stockton housing staff and assisted ACLC with project specific technical assistance as requested. This technical assistance helped the city and county to increase their capacity to provide project-specific assistance. Accomplishments included:

- Completion of the El Dorado Motel project in Stockton, a 39-unit renovation for senior citizen housing. CDBG funds financed a portion of the development costs, and permanent financing is provided by the California Community Reinvestment Corporation.

- Resident purchase of the 230-unit Park Village project (previously in foreclosure with HUD) in Stockton with financial assistance from the city.

- Predevelopment of a downtown SRO and tax credit project for the elderly.

- Development of a 50-unit multifamily rental project in Tracy sponsored by ACLC with financial assistance from the county. This is the county's first low-income rental project.

The housing delivery system that was in place in San Joaquin County in 1991 gained considerable expertise from NDC. NDC believes an effective city/county partnership develops a balance of single- and multifamily housing throughout their metropolitan area.

SAN JUAN, PR

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
437,745	.89%	N?A	N/A	99%	$10,539	$12,332	31%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
10%	$448	$216	48%	18%	49%	41%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
12%	69%	54%	3%

* See Description of Terms

Partnership Description

The initiative to establish a San Juan Housing Partnership, in San Juan, PR, began in 1990, as newly elected Mayor Hector Luis Acevedo sought to establish a capacity for municipal government to respond to unmet housing needs, especially among working people who could no longer afford to buy a home in the city. There is a low incidence of homelessness in San Juan, but housing conditions for the poor are typically substandard. An estimated 27,000 units (almost 18 percent) are physically inadequate. A task force composed of bankers, city and commonwealth officials, housing experts, and business and civic leaders, met over the course of a year planning the structure and program for the San Juan Housing Partnership. This work culminated in a strategic planning conference in June 1992 and the incorporation of the San Juan Housing Partnership Trust in December 1992. In addition to HUD's Public-Private Partnership support, the city provided supplemental funds for The Enterprise Foundation's capacity building technical assistance for the Partnership, the city and nonprofit housing developers.

Leadership for the planning effort was provided by the San Juan Housing Department, a pharmaceutical company, several banks and mortgage bankers, a major development company, and the realtors association. Program activities have been spearheaded by several Partnership board members and the leadership of the Puerto Rico Community Foundation.

The key objectives of the Housing Partnership were to improve cooperation on solving housing issues, expand capacity and funding for locally based housing development, and create additional homeownership opportunities for low- and moderate-income households primarily through new construction. In general, the programs planned were homeownership activity, neighborhood revitalization, housing and building code reform, construction and permanent financing, and capacity building/technical assistance.

Community Approach to Low-Income Housing

Historically, neither municipal governments nor the nonprofit sector have played a role in housing policy, finance or development in Puerto Rico. Low-income housing development has been dominated by the Commonwealth government, its public financing agencies, and a few profit-making housing development companies. Puerto Rico has failed to take advantage of federal programs that provide nonprofit subsidies or private equity investment such as use of HOME and Low-Income Housing Tax Credits. In the absence of organized nonprofit initiatives or programs to develop investment opportunities, local banks have not been active in affordable housing lending.

Role of Partnership

The Partnership paved the way for: an emerging nonprofit and community-based housing sector, expanded investment in community development by banks, and more aggressive commitment by the Puerto Rico Community Foundation and other civic groups to provide leadership and resources in support of housing and community development.

The organizing and educational role of the Partnership Task Force between 1990 and 1993 was critical to creating greater understanding and receptivity on the part of public officials and civic leaders to the role of municipal government, community-based nonprofit groups and collaboratives in the development and financing of affordable housing and renewal of communities. The Partnership project helped sensitize private developers and bankers to the benefits of working with and through communities and nonprofit organizations. In 1993, a variety of new local and Island-wide housing and community development initiatives were emerging in Puerto Rico, partly because of the groundwork laid by the Partnership.

The Partnership introduced the FannieMae affordable housing products to the Island, which has resulted in the emergence of new homeownership financing and counseling programs with local banks, mortgage bankers and the Commonwealth. The city Housing Department has secured a HOPE III grant for planning the rehabilitation of abandoned homes scattered throughout low-income areas. Plans for new construction of projects totalling over 200 units of low-income homeownership housing in Sabana Llana and Cantera were prepared. The city government considered the possible restructuring of the Partnership as a citywide housing development organization, that has not previously existed, to establish a direct working relationship with low-income communities.

Political issues between the city and the Commonwealth, a change in leadership in the city Housing Department, and potential conflicts of interest among board members caused the plans for operations of the Housing Partnership to be put on hold in 1993. However, three initiatives that grew out of the strategic planning activity of the Partnership have become important partnership activities in their own right. These include: 1) the Cantera Peninsula Project, Puerto Rico's first redevelopment initiative to be carried out through a collaborative process among both city and commonwealth governments, the private sector and residents of one of San Juan's most depressed, low-income communities; 2) the Puerto Rican Women's Housing Coalition, a nonprofit group organized to provide education, counseling and volunteer technical assistance to low-income people and communities; and 3) the collaboration of the Puerto Rico Community Foundation with the newly created nonprofit Nuestro Barrio, Inc. in a HUD-funded project to provide technical assistance to emerging community housing development organizations (CHDOs).

During the HUD Public-Private Partnership program, the Housing Partnership Development Corporation (HPDC) of New York operated under a subcontract with The Enterprise Foundation to provide technical assistance to the City of San Juan. HPDC assisted the city to access federal housing funds, made recommendations to city staff on restructuring the Partnership as a CHDO, and helped the Partnership to prepare a development and implementation plan for its first development project. In addition, city and nonprofit skills were enhanced by participation in training seminars conducted by Enterprise.

While the San Juan Housing Partnership was inactive, by the end of 1993 the Cantera redevelopment project had hired full-time staff. Funding for operations totaling over $1 million had been raised equally from private, Commonwealth and municipal contributions. A comprehensive community planning process had been carried out, involving plans for thousands of units of new and rehabilitated housing for this long-neglected barrio, as well as economic development, education and other community services. The first 86-unit new construction project planned for the Cantera community was prepared for low-income homeownership, with HOME assistance. The success of Cantera is in part due to the involvement and support of the Commonwealth government. Unlike Cantera, the Partnership was not supported by the Commonwealth.

SYRACUSE, NY

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
163,860	-4%	75%	20%	3%	$21,242	$28,012	31%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
9%	$679	$409	23%	64%	37%	54%

Female Headed Households Below Poverty Level With Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
73%	64%	56%	39%

* See Description of Terms

Partnership Description

Syracuse, NY, established the Syracuse Housing Partnership in 1989 to lead the effort to create affordable housing opportunities in the city. Most of the city's housing stock was built before 1939 and much of it has deteriorated, particularly rental housing units. In addition, the homeless count was slightly greater than the total number of available shelter beds.

The Partnership worked closely with the city Department of Community Development and local nonprofits to address these conditions. The HUD-supported technical assistance provided by the National Development Council (NDC) assisted the Partnership in its production efforts. Nonprofit organizations working with the Syracuse Housing Partnership were Syracuse Model Neighborhoods, Rebuild Syracuse, Syracuse NHS, Northeast/Hawley Development Association and Westside Inner City Association.

With support from the HUD Public-Private Partnership program, NDC provided technical assistance to these nonprofits as requested. NDC provided training in the HUD/FHA 203(k) program to city staff to assist them in rehabilitating single-family housing for home-ownership.

Community Approach to Low-Income Housing

In November 1990, the Syracuse Housing Partnership effort began to achieve its goals of revitalizing neighborhoods and providing homeownership opportunities. Construction was started or completed on 99 homes, 36 homes were being rehabilitated through the Urban Homestead program, and 24 cooperative units were completed and occupied. Neighborhood nonprofits were key to these partnership successes. Funds committed to the development of affordable housing included: 1) 70 percent of CDBG Entitlement program funds to housing-related activities; 2) HUD Homesteading program and the HUD Rental Rehabilitation program funds; 3) New York State Affordable Housing and Housing Trust fund programs; and 4) HUD Single-Family Property Disposition Demonstration program funds.

Role of Partnership

NDC focused technical assistance efforts on the University Hill Neighborhood Development Corporation (UHNDC), whose goal was to acquire and renovate housing, formerly marketed to students, for affordable single-family homeownership. NDC helped UHNDC partner with a private developer to rehabilitate six townhouses.

The Syracuse Housing Partnership continued to work toward its goals, with technical assistance and training provided by NDC during the HUD Public-Private Partnership contract. In addition to HUD/FHA program training for city staff, NDC staff assisted the City of Syracuse in setting up a first-time home buyer program.

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
176,664	10%	78%	11%	4%	$25,333	$31,203	20%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
7%	$639	$413	16%	44%	49%	44%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
62%	56%	47%	33%

* See Description of Terms

Partnership Description

HUD Public-Private Partnership Project-funded activities in Tacoma, WA, have focused on Tacoma's Hilltop community. The Hilltop area is an inner-city neighborhood with a population of approximately 13,000. It suffers from economic and social problems that are greater than the rest of the city. Over the past 10 years, the number of overcrowded units in the neighborhood more than doubled. In addition, 56 percent of the city's emergency shelter population is located in Hilltop, as is a city jail and a mental hospital.

Hilltop has active community-based organizations, 18 of which originally formed the Hilltop Housing Consortium (HHC). It has since broadened to 28 members, including financial institutions, the public sector and LISC. The HHC, Puget Sound LISC and the city spearheaded a strategic planning process to identify the partners, financing and technical assistance tools necessary to revitalize Tacoma's Hilltop community. The product of these efforts was the establishment of the Hilltop Neighborhood Development Program (HNDP) in April 1991. It is advised by HHC and administered by Puget Sound LISC.

The Hilltop Neighborhood Development Program's mission is to: demonstrate and enhance the capacity of community-based nonprofit organizations to revitalize the community; promote cooperation and coordination among these organizations; blend private and public financing into a single financing system; remove blight; promote economic expansion; provide a mix of housing opportunities; and create a permanent source of project financing for community-based developers.

The Hilltop Housing Consortium's goals for the HNDP is to raise financial resources to support development of 30 units per year in the neighborhood.

Partners involved in HNDP projects include: Puget Sound LISC, LISC's National Equity Fund, the Washington Community Reinvestment Association, a statewide lending consortium involving 37 lenders, the city of Tacoma, using special purpose Community Development Block Grant (CDBG) funds, and the state of Washington's Housing Assistance Program (HAP).

Community Approach to Low-Income Housing

Prior to 1991, there did not exist a program for the revitalization of the Hilltop community. Financing resources were not readily available for the development of affordable housing in Hilltop. community development corporations (CDCs) were not developing a significant amount of housing. Working closely with the Hilltop Housing Consortium, LISC worked to achieve a broad consensus within the community on housing problems and priorities for solutions. In the process, Hilltop organizations and residents formed a valuable alliance on which to build other community-based approaches to crime, local infrastructure, school, service coordination and other issues. Once an agreement was reached on problems and priorities, LISC and HHC were able to establish a financing system to marshall and allocate resources for rental, special needs and owner-occupied housing in a specific target area within Hilltop. By the end of 1993, there were five CDCs with housing projects under development.

Role and Accomplishments of Partnership

The Hilltop Housing Consortium commissioned, and LISC and the city of Tacoma funded, the Hilltop Neighborhood Population and Housing Profile, and the Hilltop Homeownership Action Plan. The Profile and Plan guide HNDP housing development and other development in the neighborhood. In the summer of 1993, a new CDC, the Hilltop Homeownership Development Center (HHDC), was formed to increase the number of owner occupants in a targeted area of the Hilltop. HHDC is charged with the development of 250 new owner-occupied homes over the next five years. It hired its first executive director in April 1993 and has commitments in excess of $3 million.

HNDP provides capacity building and technical assistance to CDCs. Three CDCs have received $88,000 in capacity building grants for board development, systems enhancement and general operating support. Four CDCs have secured legal assistance from the Puget Sound Legal Assistance Foundation. This aid focuses on organizational structure, legal standing, board operations, and relationships with other organizations and service providers. HNDP also provides predevelopment and project financing.

Under the HNDP, three organizations--the Martin Luther King Development Association, Safehaven Development Association, and the Tacoma Housing Authority--have secured financing for 110 units. Puget Sound LISC provided $88,000 in predevelopment financing and $342,000 in construction financing from its local pool and $414,640 from a CDBG Special Purpose Grant. LISC's National Equity Fund invested $349,000 in equity. $530,000 in CDBG funds was provided by the city. The state, through its HAP program, loaned $883,000. $2.2 million in bond financing was augmented by $859,000 in construction and permanent financing from private lenders. The Cheney Foundation also participated with $40,000.

At present, Puget Sound LISC is spearheading a $6.6 million recapitalization of HNDP. Projected resources include: $498,000 from LISC; $2 million from the National Equity Fund; $750,000 from the Nehemiah Housing Opportunity Program; $1.091 million in CDBG from the City of Tacoma; $750,000 in Special Purpose CDBG funds, through the city; $600,000 from the State of Washington Affordable Housing Program; $750,000 from HAP; and an estimated $250,000 carryover funds.

TOLEDO, OH

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
332,943	-7%	77%	20%	4%	36,043	--	19%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
8%	$560	$378	8%	48%	56%	36%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
39%	57%	49%	36%

* See Description of Terms

Partnership Description

In Toledo, OH, about 12,000 housing units are noticeably deteriorated. Five-sixths of these are concentrated in 50 inner-city census tracts. The Toledo population declined by 7 percent during the 1980s, while the percentage of low- and moderate-income residents grew. Thirty thousand households earn less than $9,900 a year and can only afford conventional mortgages amounting to $17,000.

With support from HUD Public-Private Partnerships funds, Toledo LISC coordinated a strategic planning process involving participants from the public and private sectors, culminating in a workshop in March 1992 that developed a plan to craft a community development corporation (CDC) housing production system. Private sector participants included: eight CDCs; six banks and savings and loans; Toledo LISC; the United Way of Greater Toledo; and three other nonprofits, including a statewide intermediary. Public-sector participants included: the city of Toledo's Department of Housing and Neighborhood Revitalization, the Lucas County Treasurer's Office and the Ohio Department of Development.

Participants identified three major strategies which are also included in Toledo's Community Housing Affordability Strategy (CHAS): targeting public and private resources to support neighborhood revitalization strategies and initiatives of neighborhood-based community development corporations; improving the existing housing stock of owner-occupied structures and increasing opportunities for homeownership; and increasing the supply of affordable housing units for low- and very low-income families and people with special needs.

The planning participants agreed to assist specific programs to implement these strategies: capacity building for CDCs through the Toledo Fund for Neighborhood Development; providing training through the Project Development Program and various workshops; housing development financing from LISC, private lenders, the city, and state; and an information and referral project involving Toledo LISC, United Way of Greater Toledo and United Way of America.

Community Approach to Low-Income Housing

Prior to 1991, CDCs in Toledo focused primarily on community organizing and lending to homeowners for rehabilitation with minimal assistance from the public and private sectors. Very few were engaged in direct development of affordable housing. In part, due to activities funded by the HUD Public-Private Partnership project, the role of these organizations has broadened. Now there are 10 CDCs developing housing. Support from the city, state and private sector have increased significantly. The city has increased its Community Development Block Grant (CDBG) support to CDCs, and there has been a dramatic increase in private and state financing for projects.

Role of Partnership

The Toledo Fund for Neighborhood Development (TFND) was established in 1991 to provide core operating support and technical assistance to CDCs on organizational assessments and strategic plans. TFND disbursed over $800,000 between 1991 and 1993: $520,000 in HUD Special Purpose Grant funds received by LISC; $150,000 in match from national LISC and $132,000 raised by the Toledo LISC from 12 new private contributors. Six CDCs received assistance to develop a strategic plan, plus operating support for three years to implement these plans.

In 1992 and 1993, TFND raised a second round of capacity building and technical assistance funds to be disbursed beginning in 1994. A 1993 $480,000 HUD Special Purpose grant will provide additional operating support grants to three emerging CDCs. One hundred seventy-five thousand dollars of this grant will pay for technical assistance to CDCs developing homeownership housing. TFND fund-raising efforts are expected to continue for these activities.

In addition to strategic planning, LISC and the Development Training Institute, provided with HUD Public-Private Partnership funds, a multi-session real estate development training, the Project Development Program, for 18 participants from community development corporations, the City of Toledo, and private lenders.

Partially funded by the HUD Public-Private Partnership program, residents in CDC-developed housing and neighborhoods are receiving information and referral services related to a variety of needs, e.g., counseling, day care and job training. These services are provided by United Way of Greater Toledo. Other funding for these services was provided by Toledo LISC, United Way of Greater Toledo and United Way of America, enabling staff to be hired. This program is also assisting CDCs by building relationships with the local United Way to help them access funds and services for their communities. This effort has resulted in CDCs' receipt of previously untapped assistance including paint for housing rehabilitation and computers for CDC operations.

Between 1991 and 1993, Toledo LISC made commitments for over $250,000 in predevelopment support to CDCs for site acquisition, preliminary architecture and engineering, preliminary financial packaging, and legal work. LISC is also providing lines of credit, guarantees and construction financing for projects, as are three private lenders. LISC has committed $150,000 in lines of credit and a $30,000 guarantee for four CDCs.

A collaborative effort called the HOME-4 Neighborhood Program involved four CDCs, Toledo LISC, five banks and the city's HOME program. Each of these CDCs were purchasing and renovating 15 housing units.

LISC's National Equity Fund is providing equity for rental housing utilizing the federal Low-Income Housing Tax Credit. Local lenders, the city and state are making permanent financing available. In total, CDCs assisted through the HUD Public-Private Partnership program between 1991 and 1993 have produced more than 50 units of housing with another 130 in the pipeline.

TRENTON, NJ

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
88,675	-4%	42%	49%	13%	$25,719	$30,733	35%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
8%	$696	$451	18%	72%	47%	45%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
46%	66%	58%	45%

* See Description of Terms

Partnership Description

The Enterprise Foundation (Enterprise) conducted an assessment of Trenton, New Jersey's affordable housing needs, resources and development capacity in 1991. Enterprise recommended strengthening collaborative efforts among the existing housing players in the city rather than the establishment of an official partnership. As a result, no formal partnership was formed in Trenton during the HUD Public-Private Partnership program.

The city's director of Housing and Community Development, Alan Mallach, actively worked with nonprofit groups to develop affordable housing for low-income persons and revitalize neighborhoods in the City of Trenton through rehabilitation of substandard housing. The city provided construction and predevelopment financing, worked closely with nonprofit developers, and in some instances, acted as a developer. In addition to HUD's Public-Private Partnership support, the city committed $20,000 to support additional Enterprise capacity building technical assistance for the city and nonprofit housing developers.

As the intermediary in Trenton, Enterprise primarily worked with Isles Affordable Housing Program, Inc., and the Urban League. Enterprise also worked with other nonprofits on a periodic basis throughout the HUD Public-Private Partnership program. Enterprise focused on targeted technical assistance to strengthen the nonprofits' production capacity and ability to use HOME and Community Development Block Grant (CDBG) funds for projects.

Community Approach to Low-Income Housing

A good working partnership already existed between the city of Trenton Department of Housing and Development and the local nonprofits prior to the HUD Public-Private Partnership Program. Low-income housing was financed through a combination of city programs, state housing finance agency programs, and bank financing and equity generated by private placement of Low-Income Housing Tax Credits. The planning process included nonprofit organizations, lenders, and the business community; well defined development strategies; and a strong commitment to working with nonprofit partners.

Role of Partnership

The informal partnership activities in Trenton were successful in increasing local public and nonprofit capacity to produce housing. Enterprise assisted the city in applying for a loan through the Emergency Housing Assistance Program, financed by the Ford Foundation and administered by Enterprise. Through that program, a city-sponsored nonprofit was awarded a $100,000 loan to assist in developing eleven units of transitional housing for single, homeless women. Enterprise also assisted the city in reviewing bank applications in applying for a HOPE III implementation grant.

Following the 1991 assessment of Trenton's housing needs, Enterprise targeted technical assistance to strengthen the nonprofits' production capacity and ability to use HOME and CDBG funds for projects. The Foundation provided technical assistance to nonprofits in the form of a market analysis, project budget development, pro forma analysis, and assistance with HOPE III applications. Enterprise also worked with local nonprofits in developing work plans and provided technical assistance to three nonprofits on proforma development, tax credit syndication, and marketing strategies. Enterprise provided assistance to nonprofits on grant proposals.

Enterprise worked with Isles Affordable Housing Program on their first multifamily project and evaluated their production system. The Foundation also worked closely with the Urban League on a 20-unit single-family homeownership project. To help improve the housing development capacity of nonprofits, in 1992 Enterprise provided training on the pre-development process.

There were a number of local Low-Income Housing Tax Credit projects that received equity from individual investors. Since there were many corporations and potential investors in the Trenton-Princeton area, Enterprise recommended that the city continue to pursue its interest in tapping into regional corporate resources by establishing a local equity fund.

PUBLIC PRIVATE PARTNERSHIP CASE STUDIES

BRYAN, TX

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
$55,002	19	70	17	19	$22,577	$29,277	19%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
10%	$678	$391	22%	12%	43%	47%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
65%	55%	47%	32%

* See Description of Terms

Partnership Description

An informal partnership between the city of Bryan, TX, local lenders, developers, and the National Development Council (NDC) translated into more momentum for the community's affordable housing efforts. Technical assistance and training provided to the city by NDC equipped city staff to better negotiate and structure affordable housing projects and programs. The city had already established goals for affordable housing production and desired to establish a self-sustaining affordable housing development system.

Beginning in 1992 the sister cities of Bryan and College Station collaborated on the preparation of a combined CHAS (Comprehensive Housing Affordability Strategy). Within that document were a number of goals both communities were focusing on prior to NDC's assistance. Those strategies were:

- Providing an adequate and affordable supply of rental residential property through rehabilitation and tenant rental assistance.
- Expanding the supply of decent, safe and affordable housing through the development of new residential property and rehabilitation of existing residential property.
- Expanding homeownership for low-income persons.
- Providing housing and supportive services for special needs populations.

NDC and the city promoted these goals by seeking to build nonprofit capacity as well as strengthening city staff's housing development finance skills. The desire was to use nonprofit organizations for the development of single- and multifamily housing, and community development corporations (CDCs) as the financing vehicle for those projects.

Low-Income Housing Conditions

The neighboring cities of Bryan and College Station consist of approximately 60 square miles within Brazos County, TX. The two adjacent cities share many resources, including electrical power, emergency response services, employment opportunities and housing. Wide ranging economic recovery in Bryan-College Station and dramatic growth in enrollment at Texas A&M University has resulted in a demand for local housing that, at present, surpasses supply, especially affordably priced housing. Consequently, prices for existing and newly constructed homes have risen dramatically as have rent prices. Due to the large student population (approximately 43,000) there is a high demand for affordable rental units.

The city of Bryan is the older of the two cities. Since 1980, Bryan's population has increased by 24 percent. High concentrations of low-income families follow the same general pattern as the local ethnic concentrations. Based on the 1990 Census, the median family income for the area was $31,057. This is approximately 14 percent below the national median family income. Many of the dwelling units in low-income neighborhoods were built before 1950 and a substantial percentage are in poor condition. Although there has been no comprehensive data collected on the sheltered and unsheltered homeless, there is a recognized need for expansion of present facilities and services. All existing homeless shelters for the area are located in Bryan. There is an existing emergency shelter, a shelter for runaway and neglected children, and a shelter for abused women and their children.

Community Approach to Low-Income Housing

Prior to 1991, the City provided primarily housing rehabilitation and replacement assistance. The main programs used were Community Development Block Grant (CDBG) funded, owner-occupied and state and federal rental rehabilitation programs. During the last 10 years the city has focused on older low-income neighborhoods for rehabilitation projects.

In this same period the city also initiated a joint venture to produce new affordable housing in the Shadowood Subdivision for first-time low- to moderate-income home buyers. The program included down payment assistance through a partnership with a local lender and an affiliated builder and realty company.

Role of Partnership

The benefit to the local community from the HUD supported Public-Private Partnership to Create Affordable Housing was city staff with greater technical skills in housing development finance and project implementation. City staff availed themselves to NDC training opportunities to include both in-house training and outside seminar training. NDC provided extensive project specific training as required and was also available to meet with local community leaders on general or specific housing projects. The city also, at the suggestion of NDC, funded a position for a full-time affordable housing professional to facilitate local housing goals.

The city encouraged support for the formation of a multi-bank community development corporation (CDC). Due to a lack of commitment by local lenders, this goal has yet to be achieved. An alternative to a multi-bank CDC is to continue to develop relationships between local lenders, developers and the municipality on specific projects. This informal approach has been more successful in Bryan than attempts to launch a CDC.

During the Partnership, the Community Development Divisions of both Bryan and College Station, with assistance from NDC, worked together in setting housing goals and addressing issues common to both cities. A working committee was created to facilitate the eventual formation of a local multi-bank CDC. As mentioned previously, however, there has yet to be a serious commitment by local lenders. Such an organization is still a goal of the city.

The two localities also worked together to organize or identify a housing development nonprofit. Like the multi-bank CDC, there was difficulty initially in achieving this goal. Following meetings between NDC, city staff and local community lenders, a local housing nonprofit was identified with which the city could work. The city agreed to collaborate with the newly formed Brazos Valley Affordable Housing Corporation (BVAHC). BVAHC is a new 501(c)(3) organization launched by the Brazos Valley Development Council, a seven-county council of local governments. Representatives of the city will sit on BVAHC's board of directors.

The above goals and efforts, as well as the NDC provided assistance have resulted in a number of affordable housing projects. Following are the major projects or programs underway in 1993.

<u>The Student Dormitory Project:</u> This project is an excellent example of a public-private financing partnership. The subject property is an old, vacant, but well built hospital. The owner/developer desired to renovate the structure for use as a student dormitory. NDC provided technical assistance to city staff to evaluate the development proposal, structure the project, secure the private sector lending commitment and to identify and apply for federal funding (i.e., Section 108). Total project cost is approximately $812,000, with $500,000 being provided by section 108 financing, and the remainder coming from owner equity and private lender first mortgage financing. The dormitory is intended to be a multi-cultural facility with a special emphasis on attracting international students. This project, near the city's business district, would eliminate a potential blighting influence by accommodating reuse of the presently vacant structure. It will also provide a number of long-term jobs as well as help reduce the student housing shortage in the community.

<u>Affordable Homeownership Program:</u> Two programs were established to assist low-income individuals and families in becoming homeowners. Each program was a collaboration with one or two local lenders, Commerce National Bank and First National Bank. These two banks contributed a combined $450,000 in innovative mortgage financing. The lender's lower down payment and lower closing cost financing was combined with repair assistance provided by the city. Bryan allotted $100,000 in CDBG monies to provide needed home repairs for eligible applicants. City staff also provided pre-purchase counseling to potential homebuyers. The most important component of this program is the innovative financing assistance provided to purchasers. Affordable properties at income levels served would otherwise by very scarce. The community also benefits by having previously deteriorating properties and neighborhoods refurbished. And finally, because of their work with the program, mortgage lenders enhance their public image within the community while improving their Community Reinvestment Act ratings.

<u>Homeowner Mortgage Assistance Program:</u> The city also had begun a collaborative first-time home buyer partnership called HMAP (Homeowner Mortgage Assistance Program) with downpayment assistance as its focus. The initial focus is a neighborhood called Shadowood. The participants and their contributions included the city offering $25,000 for a downpayment pool offering long-term, low-interest loans and providing up-front counseling of potential

program participants: First American Bank and their matching $25,000 into the same pool; and First American/AMWest Savings providing interim and permanent financing. To date, only two families have participated in this program, with a third family in process. A number of other applicants were unable to receive loan approval. This appeared to be due in part to more rigid FHA requirements. Another factor may have been that the mortgage lender, AMWest Savings (affiliated with First American Bank), was not local. They were located in Amarillo and this made it difficult to accommodate the application and loan processing process. Some of these impediments have been addressed and the city is currently promoting this program again. Bryan's desire is to eventually make the program available citywide.

Partnership Elements\NDC Involvement

NDC's training and technical assistance under the HUD Public-Private Partnership to Create Affordable Housing allowed the city of Bryan to develop and improve numerous local efforts to expand affordable housing opportunities. Per its agreement with the city and HUD, NDC provided ample opportunities for meetings and consultation opportunities with city staff and other community leaders. NDC provided city staff with free tuition to numerous housing finance courses. Alternative training was provided to include on-site workshops for community leaders and city officials.

As previously mentioned, emphasis was placed on identification or formation of an affordable housing nonprofit to facilitate the community's efforts. Due to the difficulties in actually launching a housing nonprofit in a smaller community, the city elected to collaborate with the newly launched nonprofit mentioned earlier. NDC counseled the city on issues of concern in dealing with existing nonprofits and assisted in addressing those concerns.

In summary, the availability of NDC staff to advise and assist with the myriad of details involved in promoting and developing an affordable housing delivery system was invaluable. The sophistication and skill acquired by participating in the HUD partnership allowed the city to forge alliances required for its goals to be achieved. The Partnership benefits have continued to pay dividends to the community well after the end of the program. Recently, momentum on the more difficult goals is being realized as the city employs its new skills in the promotion of affordable housing development.

DETROIT, MI

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
1,027,974	-17%	22%	76%	3%	$18,742	$22,566	46%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
9%	$490	$372	32%	63%	48%	43%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
71%	72%	65%	50%

* See Description of Terms

Partnership Description

Partnership building efforts in Detroit, MI, have resulted in an informal collaboration among the Detroit LISC, community development corporations (CDCs), financial institutions, the city of Detroit, the state of Michigan and the local U.S. HUD Office. In addition, a number of local technical assistance providers are also actively involved. These organizations include the Michigan Housing Trust Fund (which provides both technical assistance and project financing), Neighborhood Services Organization, the University of Michigan Legal Assistance Program and others. Through formal agreements to finance community development corporation-sponsored projects and informal consultation on program design and problem solving, the Detroit partnership is increasing CDC organizational and production capacity and creating a more positive environment for community development.

The major motivating factors in forming a partnership were 1) the lack of any forum where the public, private and community sectors could come together to discuss and gain consensus on housing issues, and 2) the desire on the part of the partners to seek some means of working together. Primary leadership was provided by the city Planning Department and the Detroit LISC.

The first formal partnership activity was a planning workshop co-sponsored by Detroit LISC and the city of Detroit in the summer of 1991. The workshop included representatives from both organizations, CDCs, housing advocates, banking and state housing officials. It provided a forum for identifying key issues to be addressed by the city's Comprehensive Housing Affordability Strategy (CHAS). These issues were refined in follow-up interviews with a cross section of the partners.

The process continued throughout the fall with informal discussions leading to a strategic planning workshop in December 1991, "Detroit Public/Private Workshop for Community Development Corporation Housing Production." The workshop resulted in a CDC Housing Production Plan. The Plan built upon the city's CHAS identifying specific projects and resources needed to complete them, including capacity building and project financing assistance.

Two production goals were set: 1) produce 500 units of rental housing, and 2) produce 100 units of single-family housing. To achieve these goals, the following needs were identified: additional sources of CDC operating support; organizational and project technical assistance to CDCs; pre-assembled project financial resources; support for residential property tax abatements; and minimizing the time and process associated with acquiring city, county and state owned property.

To achieve the single-family housing production goal, Detroit LISC and its partners planned and developed a production program called HOMESTART. The Detroit HOMESTART program will assist four to five CDCs to produce and sell 100 single-family homes over a three-year period. HOMESTART includes a centralized support system providing: construction related services to increase the efficiency of the production of housing; and homeownership training and counseling to expand the pool of potential home buyers.

To achieve the rental housing production goal, Detroit LISC is working with LISC's National Equity Fund and local lenders to finance CDC developed rental housing. Detroit LISC also provided technical assistance to the city in structuring the HOME program. It intends to provide the city with technical support in the administration of the set-aside for community housing development organizations (CHDOs).

Key Players/Partners

Each of the partners in the housing production plan has a unique history and role. Each is described below and their role in the partnership is elaborated under the "Role of Partnership" section.

Detroit LISC: Detroit LISC began operations in January 1990 in response to the 1987 Detroit Strategic Plan. It recommended that LISC be invited to Detroit to serve as the vehicle through which the public and private sectors could work together to support community development organizations. Corporate support was raised through a $750,000 contribution from Detroit Renaissance, Inc. (DRI). DRI is comprised of the CEOs of 36 of the Detroit area's leading corporations. Initial funding was also provided by the Hudson-Webber Foundation and the McGregor Fund. Beginning in January 1993, Detroit LISC embarked on a campaign to raise another $1 million from local corporations and foundations. The Detroit LISC program is overseen by a Local Advisory Committee comprised of local contributors. The current chairman is S. Martin Taylor, Vice President for Community and Governmental Affairs for the Detroit Edison Company. Other members represent the city, local lending institutions and individuals with expertise in residential and commercial development. Since its inception, Detroit LISC has supported 12 CDCs with technical assistance and operating support grants in the amount of nearly $690,000 and project financing for loans and pre-development recoverable grants of over $225,000.

National Equity Fund: LISC's affiliate, the National Equity Fund, Inc. (NEF), was established in 1987 by LISC to organize partnerships of Fortune 500 corporations to invest in affordable rental housing developed by nonprofit CDCs. To date, NEF has invested $2.6 million in three Detroit CDC developments totaling 82 units. Nearly 400 units of rental housing sponsored by five CDCs are expected to be submitted to NEF for investments by July 1994.

The City of Detroit's Community & Economic Development Department: This department administers the Community Development Block Grant (CDBG) and HOME programs. The City's FY93-94 CDBG budget is about $64 million. The primary CDBG program is the

Neighborhood Opportunity Fund (NOF) which provides many neighborhood groups with funding for their housing programs. Activities include: home repair; neighborhood improvements such as lighting, trees, and barrier free curbs; rehabilitation of public facilities; neighborhood commercial strip improvements; and development-related services, such as homeowner counseling, legal aid, crime prevention, and crisis intervention. This approach has suffered from several difficulties. The funds are distributed to nearly 200 different organizations in small amounts, requiring organizations to raise substantial administrative support. In addition, the small amounts of funding often make negligible impacts on the neighborhoods and the constituencies that recipients serve.

<u>The Michigan State Housing Development Authority (MSHDA):</u> MSHDA provides technical assistance and finances housing production for low- and moderate-income residents. Financing includes new construction, acquisition and rehabilitation, low cost home improvement loans, mortgages and mortgage interest rebates. It also administers the state's HOME program. Funds are available for Detroit's CDCs for single-family production in the form of development subsidies and down payment assistance.

<u>The Local HUD Office:</u> HUD staff, particularly individuals in the Community Planning and Development Division, have played an important role in the partnership by participating in the collaborative efforts. In addition, they have made themselves available as technical resources to LISC, the city and CDCs, particularly on the changing HOME rules and regulations.

<u>National intermediaries:</u> Two organizations, the Center for Community Change and SEEDCO, which have technical assistance contracts with HUD are expected to be involved with individual CDCs. SEEDCO and LISC are jointly working with one CDC. LISC expects to be working with the Center to assist another CDC in the future. LISC will provide project financing and project-related technical assistance; the two other intermediaries will concentrate on organizational development activities. A Michigan intermediary, the Michigan Housing Trust Fund, provides technical assistance through a contract with MSHDA and provides project financing as well.

<u>Community Development Corporations (CDCs):</u> CDCs are the core of the partnership activities in Detroit, serving as the neighborhood developers. Detroit's most active CDCs are described below:

<u>The Cass Corridor Neighborhood Development Corporation (CCNDC):</u> founded in 1982 by the Concerned Citizens of Cass Corridor, plans to develop housing and commercial properties. The neighborhood is surrounded by some of Detroit's best known institutions: General Motors, the Detroit Medical Center and Wayne State University. CCNDC has renovated three residential and two commercial buildings. It has completed 72 units of housing. Other projects are under construction or in pre-development.

<u>Church of the Messiah Housing Corporation:</u> The Church of the Messiah (CMHC), in response to the decay of its east side neighborhood in the 1970s, was established in 1978. CMHC has rehabilitated or constructed more than 200 units of rental housing for low-income families in the Island View neighborhood. In 1993, CMHC completed renovation of the historic El Tovar, a 72-unit apartment building. The project was a joint venture between CMHC and a minority developer. Field Street I, a 21-unit townhouse development, was completed in late July 1993. It was the organization's first new construction project. Field

Street II, a 27-unit project combining renovation and new construction, is expected to begin construction in July 1994. CMHC has also provided development services assistance to other CDCs and neighborhood groups.

Core City Neighborhoods (CCN): CCN, established in 1984, has focused on community development: in what was once a viable, working class neighborhood that is now dominated by vacant lots, abandoned buildings and characterized by few employment opportunities, CCN has completed renovation of 42 units in seven separate buildings. A major development project, the 126-unit Martin Luther King rental housing project, is expected to begin construction by fall 1994.

Grandmont Rosedale Development Corporation (GRDC): GRDC was formed in the late 1980s in a northwest community with a higher rate of home-ownership and higher income level than in most Detroit neighborhoods. The community is one of Detroit's more racially integrated communities. GRDC grew out of a collaboration among four neighborhood associations. Its dual housing strategy is to reclaim scattered vacant properties and to concentrate development on the area's weaker edges. Five homes have been purchased, renovated and sold to date.

People in Faith United (PIFU): PIFU was formed in 1983 by the Bon Secours Hospital and a group of churches from Detroit and nearby more affluent Grosse Pointe. Since 1970, this east side area has experienced an 80 percent population loss. The organization uses corporate support and volunteer efforts from neighborhood residents and sweat equity from future residents. To date, PIFU has acquired and renovated 15 vacant properties which are being sold through a lease-purchase program to families residing in the area with annual incomes of $9,000 to $15,000.

United Street Networking and Planning: Building a Community (U-SNAP-BAC): U-SNAP-BAC is a consortium of 10 community-based residential and business organizations on Detroit's east side. Incorporated in 1987, the organization's activities include housing development, small business assistance and community organizing. It has acquired and renovated 6 vacant properties for homeownership. U-SNAP-BAC also administers a city-funded home repair program which has served 450 owner-occupied residences.

Reach Everyone Administer Care to Help (REACH): REACH was founded in 1986 by the Twelfth Street Missionary Baptist Church. REACH's primary focus has been on social services such as crime prevention and child care. In recent years, it added housing and economic development to its agenda, and its success has generated a great deal of national media attention. REACH received the President's 1,000 Points of Light award in September 1991. REACH has concentrated on producing transitional and low-income housing. It has acquired and rehabilitated 16 vacant single-family houses, and is pursuing purchase of a 20-unit low-income residential development.

VISION, Inc.: VISION was established in 1988 by New Calvary Baptist Church. New Calvary, a church located on Detroit's near east side, has a long history of community service programs, including day care Headstart and drug abuse prevention. In conjunction with surrounding area block clubs, it has participated in home repair programs. Its first development project is a 96-unit rental complex for low-income residents.

Warren-Conner Development Coalition (WCDC): WCDC is a broad based alliance of residents, business owners, and institutions joined to revitalize a large area on Detroit's east side. Established in 1984 with support from Samaritan Hospital, WCDC's primary development thrust is commercial development. They have successfully completed the first two phases of Mack Alter Square including retail space for a Family Dollar Store and a Rent-A-Center. The second phase, including a Wellness Clinic and State offices, is under construction.

New Hope Nonprofit Housing Corporation: New Hope was incorporated in 1990 to stabilize the neighborhood by acquiring and renovating vacant properties in otherwise stable blocks. To date, the organization has completed and sold three properties; the fourth is under construction.

West Detroit Inter-Faith Community Organization (WDIFCO): WDIFCO was organized by a consortium of churches in Detroit's far west side. The organization has one of Detroit's most impressive community organizing efforts which has involved over 500 community residents in an effort to improve housing, recreational facilities and security in the community. The process of dialogue with banks and government and direct action has resulted in increasing cooperation from those sectors. WDIFCO has acquired and sold three homes from HUD and the city, and is renovating its fourth.

Northwest Detroit Neighborhood Development (NWND): NWND was formed in 1991 and has concentrated on rental housing, completing 12 units. It is now turning its attention to homeownership. NWND is doing a neighborhood development plan with technical assistance from SEEDCO.

Low-Income Housing Conditions

Detroit now has a little more than one million residents. It has experienced population loss since the 1950s. As the availability of jobs declined, so did the traditional migration of people to the city from foreign countries, the southern United States and out-state Michigan. Out-migration to the suburbs grew. During the 1980s Detroit lost 175,000 residents.

During the 1980s, 66,000 housing units in Detroit were lost to demolition and abandonment. Since 1971, an average of over 3,200 structures per year have been razed. Of the 36,000 abandoned units in the city, 76 percent are considered not suitable for renovation. Sixty one percent of the total housing stock is composed of single family units, but only 53 percent is owner occupied. Owner-occupied units are decreasing faster than total units: the number of occupied units declined by 14 percent, while the number of owner-occupied units declined by 21 percent. Single-family homes are being converted from owner to rental units at an ever increasing rate. Most of the new housing built during the last decade is for rental occupancy. For-profit developers have elected to build combined low-income and market rate housing. These projects are generally 30 percent low-income. Nonprofit builders have developed low-income housing generally targeted at tenants earning 30 to 40 percent of median income. One exception to this trend is Detroit's newest subdivision, Victoria Park. This market rate project, containing homes selling for $70,000 to $120,000, was completed in 1992. All houses there have been sold.

The city of Detroit has a poverty rate of 33 percent. Half of the renter households live below the poverty line. Nearly all poor households spend at least 30 percent of their income on rent and utilities. Four out of every five poor renter, and three out of every four poor homeowner households, spend at least 50 percent of their income on rent and utilities. Moreover, more than one in every seven renters in Detroit lives in substandard housing.

These statistics point to four basic problems in Detroit: the continuing exodus of moderate and middle income citizens; the concentration of very low-income households; an inadequate supply of decent, affordable housing; and a long-term decline in neighborhood and housing conditions that makes relatively reasonable housing costs too high for growing numbers of households. The market is perceived to be so weak that homes and apartments cost more to develop than what they appraise for when complete.

Community Approach to Low-Income Housing

Traditionally, low-income housing in Detroit has been closely tied to federal housing programs. Rental housing had been developed largely by for-profit developers and nonprofit housing organizations, primarily churches. The state of Michigan, through MSHDA, has been the most important source of housing financing. It has an estimated $400 million invested in Detroit housing. Single-family homes were purchased by firms and individuals and converted into rental properties. The latter approach became a major problem as some owners refused, or were unable, to make improvements to the properties, resulting in substandard housing. With some exceptions, in cases where the housing was built in urban renewal areas, there were few efforts to tie low-income housing with neighborhood stabilization and development.

Most of Detroit's active CDCs began operating in the late 1970s and early 80s. Some organizations developed in response to the lack of public services, e.g., police, fire protection, garbage pick-up, etc.; others were started to improve housing conditions or to provide retail services; and some were created to protect the neighborhood against the growing presence of drug activities. In essence, CDCs were responding to neighborhood needs. Some CDCs were created by neighborhood residents; others were started by institutions located, or interested in, the community, usually a church or a consortium of churches. In general, during the early years of CDC development, most organizations were recognized as community advocates, or in some cases perceived as antagonists, as they pressured government and lenders.

There has been little change in the use of CDBG for housing activities during the decade of the 90s. As cited earlier, a substantial portion of the city's CDBG dollars have been allocated to the Neighborhood Opportunity Fund (NOF). Although NOF funds are for housing activities, the majority of the funds are for owner-occupied home repair. The same is true for the HOME program. Some CDBG funding, the so-called "line item" funding, goes directly to CDCs for housing development activities.

Although former HUD programs and MSHDA have been the most important sources of low-income housing financing, during the last four years, equity generated by the Low-Income Housing Tax Credit has been used extensively by both for-profit and CDC developers.

Role of Partnership

Each of the partners played varying roles in implementing the priorities established. Core operating support is provided by LISC and the city. Capacity of the CDCs was then increased through training and organizational development grants.

Project financing is provided by both public and private partners. Predevelopment grants and financing are provided by Detroit LISC. Construction and permanent financing are provided by the City of Detroit, the state of Michigan, and private lenders. Lines of credit for single-family development are provided by Detroit LISC, local banks and the city and state. Equity for rental housing is provided by LISC's National Equity Fund. Under its HOMESTART program, Detroit LISC is providing construction services and homebuyer training and counseling.

Neighborhood planning is a part of most CDCs' activities. Funding for these activities comes from foundations and some from CDBG. Some CDCs have very comprehensive, long range (5 to 20 year) plans which include the integration of housing and commercial development. Others are limited to short-range (1 to 5 years) plans for housing development.

Accomplishments of the Partnership

Partnership efforts in Detroit are creating a more positive and supportive environment for affordable housing and community development. Prior to 1991, the combined rental housing production of CDCs was less than 150 units. Very little single-family ownership housing had been produced largely because of systemic problems, including the difficulties in qualifying home buyers, the lack of pre-assembled financing, and the lack of construction related expertise. Almost all CDCs engaged in rental housing are participating in the LISC production program. Since 1991, nearly 200 units have been completed or are under construction; over 300 are expected to be completed by the end of 1994. HOMESTART is addressing the obstacles to single family housing production. There is growing respect for CDCs from both the public and private sectors. There is increased comfort with and confidence in the partnership approach to revitalizing neighborhoods.

Since 1991, Detroit LISC has provided $600,000 in core operating support to nine CDCs. Grants average $35,000 per CDC per year, and are made on an annual basis for three years. One additional organization is being assisted by LISC with HOME and LISC funds. LISC has also made $80,000 in organizational development grants to 10 CDCs. These organizational development grants cover costs for activities such as improving management and financial systems, board development, etc.

Detroit LISC has provided training to 10 CDCs, covering the real estate development process, financing, and marketing. The program provided over 180 hours of training and problem solving sessions for these CDCs over a 12-month period.

Under LISC's HUD Public-Private Partnership Project, LISC subcontracted with the Kansas City Neighborhood Alliance, an experienced local intermediary and housing developer, to provide additional training, reviewing the elements needed for an effective homeownership production system and how to assemble them. LISC and NEF also trained CDCs on the Low-Income Housing Tax Credit and property management.

In addition, Detroit LISC has invested nearly $900,000 in pre-development funds and project financing for six CDCs. LISC has been and remains the primary source for pre-development funds for CDCs in Detroit. Detroit foundations, some of which contribute to LISC, have also provided small pre-development grants. MSHDA and Wayne County have made pre-development loans. These investments include grants, lines of credit, guarantees and loans to cover preliminary architecture, engineering, other technical services, and construction financing. In the case of MSHDA, projects must have proven initial feasibility prior to receiving a MSHDA pre-development loan. Under the Public-Private Partnership project, HUD recently awarded LISC $52,000 to assist four HOME funded Community Housing Development Organizations (CHDOs) with similar investments.

The city and state have committed over $8 million in construction and permanent financing. Private lenders have committed over $1 million in permanent financing for rental housing. These lenders include Comerica, First Federal of Michigan, First of America, and Standard Federal. MSHDA has awarded nearly $1 million in HOME funds to six Detroit CDCs. $2.6 million has been committed by LISC's National Equity Fund for rental housing. To date, all Detroit CDC sponsored low-income rental housing development has, or expects to have, equity through LISC's National Equity Fund. Using HOME technical assistance funds, LISC is supporting rental property management technical assistance and training to two CHDOs.

Detroit LISC also raised $300,000 for its HOMESTART program, including $200,000 from the Ameritech Foundation. It is providing these funds over three years to the Church of the Messiah Housing Corporation to help participating CDCs with construction services and home-buyer training and counseling. Construction services include cost estimating and specification writing, and, where appropriate, construction management assistance. Homebuyer training and counseling services include marketing, buyer outreach, pre-qualifying buyers, credit counseling and home buyer/owner education. These services will increase the pool of prospective home buyers who qualify for a mortgage.

This coordination of partnership resources has resulted in five CDCs completing over 250 units of affordable housing with approximately another 350 units of multi- and single-family development expected. These results are extremely significant given the community development environment and past history of affordable housing development in Detroit, and the short time period that the partnership has been functioning.

Lessons Learned

Several lessons have emerged from the partnership building experience in Detroit.

<u>Homeownership Development Requires Special Attention</u>. While rental housing production has proceeded largely as projected, single-family homeownership development has been more difficult. Partnership participants have identified three major impediments to homeownership housing development: 1) difficulty in qualifying low- and moderate-income buyers for permanent mortgages; 2) the CDCs' lack of experience in construction specification writing; and 3) changing and conflicting underwriting requirements among lenders including the HOME program.

LISC's HOMESTART program will provide centralized counseling and training to educate and prepare potential homebuyers to meet the requirements of lenders. Also under the HOMESTART program, construction related services will be provided to enhance the capacity of CDCs to write specifications and manage the construction process. Discussions are being held among lenders to standardize underwriting for both development and permanent financing and ensure compatibility with the HOME program.

<u>Focus Resources to Achieve Results</u>. A fundamental tension exists between attempting to serve every need and achieving impact with limited resources. The city's Neighborhood Opportunity Fund provides many neighborhood groups with funding for their housing programs. However, since the funds are distributed to nearly 200 different organizations in small amounts, several difficulties arise. It requires the organizations to raise substantial administrative support from other sources.

The small levels of funding often make negligible impacts on the neighborhoods and constituencies served. In creating the CDC Housing Production Plan, partnership participants were forced to make tough resource allocation recommendations. This inevitably resulted in raising concerns from some organizations that the resources would only be allocated to a small number of groups.

Build on Existing Capacity. Given the level of competition for scarce resources, existing nonprofits would have resisted creation of a formal partnership entity that would require extensive, ongoing support for its own operations. An informal collaboration was chosen, building on the capacity of existing financial and technical assistance providers. This approach assured that there was not a resistance on the part of CDCs to the establishment and continuation of partnership efforts.

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
1,170,103 447,619**	+35.9 +16.2	78% 64%**	12% 22%**	12% 19%**	$32,334 $26,547**	$38,279 $30,967**	15% 19%*

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
13% 11%**	$813 $685**	$430 $403**	11% 17%**	11% 23%**	47% 52%**	39% 37%**

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
45% 55%**	47% 58%**	39% 49%**	25% 29%**

* See Description of Terms
** Indicates City Data

Partnership Description

The Tarrant County Housing Partnership (TCHP), of Tarrant County, TX, was established in August 1991 by an affordable housing task force that had been convened by the United Way of Metropolitan Tarrant County. Its initial purpose was to revitalize distressed neighborhoods in Tarrant County by increasing the amount of decent, affordable housing available to lower income families and individuals with special housing needs. The chosen strategies were to (1) increase the capacity of nonprofit housing providers, (2) create and operate a first-time homebuyer program, and (3) create a subsidiary nonprofit organization that would acquire and rehabilitate rental properties.

The formation of TCHP was an initiative to increase nonprofit-sponsored affordable housing programs in the Fort Worth/Arlington area. Three local foundations, four lenders and three local governments made initial commitments for nearly $10 million in project financing, $780,000 for 27 months of TCHP's operations and $250,000 for operating support for other nonprofits. A goal was set to assist 620 households over a 27-month period beginning in September 1991.

The local economy is an important backdrop to the partnership effort. A lingering recession had major effects on the housing market. Tarrant County at times had the nation's highest percentage of HUD-foreclosed homes. Some neighborhoods were experiencing abandonment and deterioration. And while housing costs declined, wages fell and poverty increased, making even cheaper housing unaffordable. In this context, new affordable housing programs were seen by the Partnership as important tools to combat poverty and revitalize neighborhoods.

Housing problems in Tarrant County had been documented by several earlier housing study groups and task forces in the 1980s, the most recent of which attempted unsuccessfully to raise funds for nonprofit housing programs. Then, in 1990, the United Way convened a new task force that asked for recommendations on next steps from several national organizations including The

Enterprise Foundation. Enterprise's assessment in the fall of 1990 (funded by a local foundation) found that previous attempts had accurately described the problems, but failed to identify a plan of action or able organizations. Enterprise recommended that a permanent, staffed, countywide public-private housing organization be formed. Regarding programmatic goals, Enterprise recommended: 1) more affordable rental housing development in the form of rental property rehabilitation; 2) accelerated homeownership financing programs; 3) more special needs housing; and 4) more lender involvement. The task force considered Enterprise's recommendations and agreed on goals for assisting 620 renter, homeowner and special needs households over an initial 27-month period. In early 1991, the task force asked Enterprise for more specific recommendations on how to meet these goals, and Enterprise outlined a business plan for the (then unnamed) Tarrant County Housing Partnership.

When these further recommendations had been considered and accepted by the task force, the City of Fort Worth requested additional technical assistance from Enterprise under HUD's Public-Private Partnership program to help establish the partnership.

Under the HUD-funded program, three local governments, the United Way and Enterprise developed a formal cooperative agreement in May 1991 to create the Tarrant County Housing Partnership. The local governments included the City of Fort Worth, City of Arlington and Tarrant County. Like all Enterprise-assisted cities in the HUD partnership program, HUD provided resources for about 60 days of technical assistance and a local source augmented this Enterprise time with a $20,000 cost share. In Tarrant County, the United Way provided the local cost-share with funds raised from four local lenders.

Enterprise's initial tasks, beginning in May 1991 through the staffing of the Partnership in early 1992, were to: 1) create a strategic plan; 2) draft a business plan for TCHP; 3) help get financing commitments for TCHP's proposed projects and overhead costs; and 4) help organize an initial board of directors.

This work was vital to creating and strengthening the Partnership, since no local entity had the staff resources and expertise to accomplish these tasks.

As that partnership building work was being accomplished, Enterprise also provided technical assistance to a number of local nonprofit groups wanting to expand their housing activities.

In April 1992, TCHP hired its first president and approved initial operating grants and project financing for nonprofits. In July 1992, it started its own second mortgage subsidy program for first-time home buyers, which by the end of 1993 had assisted 54 families. And in December 1992, it established Tarrant County Homes, an affiliated organization intended to acquire and rehabilitate 160 homes in the first two years, to operate the homes as rentals and to continue the same activities thereafter.

After the staffing of TCHP, Enterprise continued to provide technical assistance to TCHP and other nonprofits through the end of 1992, focussing more on project development and project financing and less on strategic planning and organizational development. Because of the magnitude of the TCHP program and financing required, Enterprise ended up more than doubling its technical assistance time budgeted to the project through the reprogramming of HUD resources and additional United Way of America funding.

Key Players/Partners

The City of Fort Worth made the first and largest financial commitment to TCHP for $2.57 million in HOME, Community Development Block Grant (CDBG) and local funds to be used as project subsidies or home buyer subsidies. Before leaving office in the fall of 1991, outgoing Mayor Bob Bolen gave personal support to organizing efforts and the new mayor, Kay Granger, agreed to serve on its board, as did two City Council members. (All public sector board members are non-voting.) Staff from the city Department of Housing and Human Services gave strong support by identifying sources of funding.

The county government gave an initial commitment of nearly $600,000 in HOME funds in early 1992 for development project subsidies or homebuyer subsidies. The County Housing Finance Corp. later provided a $150,000 match for a federal HOPE 3 grant received by TCHP. A county commissioner and another representative agreed to serve on the TCHP board.

The City of Arlington in late 1991 agreed to provide $200,000 in CDBG funds for TCHP's first-time home buyer program and appointed one representative to the TCHP board. The commitment was later modified to consist of $100,000 in CDBG funds and $200,000 in HOME funds.

Representatives of three local foundations were active members of the task force that created the concept for TCHP. The foundations were the Carter Foundation, Tandy Foundation and Richardson Foundation. Collectively, in the last three months of 1991, they made commitments for $1.7 million in grants to TCHP operating costs, pass-through funds for other nonprofits and capital to seed a housing trust fund.

Four lending institutions played an important role in forming TCHP: Nation's Bank, Bank One, TEAM Bank (since merged with Bank One), and Texas Commerce Bank. They provided $80,000 in start-up grants for TCHP and pledged over $12 million in mortgage financing for initial projects. Representatives from each bank sit on the Board.

The local United Way is well-respected for the strong role it plays in funding social services in low-income neighborhoods. The agency played a critical early role in convening the task force from mid-1990 through August 1991, giving legitimacy to the effort. It provided staff support to the TCHP board in the eight-month period before staff was hired. Once TCHP was up and running, the United Way made a $100,000 grant in 1992 to TCHP for operational support for other nonprofit housing organizations.

Six nonprofit housing agencies served as a sounding board for initial TCHP programs: Neighborhood Housing Services, Liberation Community, Mental Health Housing Development Corp., Housing Opportunities of Fort Worth Inc., Community Redevelopment Corp., and Community Planning Assistance Center. This policy input became institutionalized when TCHP asked these and other, newer organizations to serve on a nonprofit advisory committee reporting to the board of directors.

As a partner with The Enterprise Foundation in forming the local Public-Private Partnership, United Way of America provided funds to Enterprise for additional technical assistance involved in setting up TCHP and assisting other nonprofits.

Purpose

The purpose of Tarrant County Housing Partnership is to revitalize distressed neighborhoods in Tarrant County by increasing the amount of decent, affordable housing available to lower-income families and individuals with special housing needs.

The Partnership provides low-cost financing (typically soft second mortgages) and other assistance to nonprofit housing organizations and low-income home buyers, as follows:

- single-family acquisition;
- single-family acquisition with rehabilitation;
- homeownership training and counselling;
- multi-family rental projects;
- supportive rental housing; and
- technical assistance and operating support to nonprofits.

Tarrant County Housing Partnership directly operates its own housing programs, provides technical assistance to other nonprofits and acts as a financial intermediary with those nonprofits. It has a staff of seven and subcontracts home buyer counseling to a local housing counseling agency, Housing Opportunities Inc. The board of directors approves all loans and grants. TCHP's most critical functions are:

- Making annual grants to nonprofits for a portion of their operating costs.
- Providing low-rate or deferred payment loans to nonprofit-sponsored affordable housing projects.
- Providing zero percent interest, deferred payment loans of up to $15,000 to first-time home buyers, in conjunction with one-on-one credit counseling.
- Giving technical assistance to nonprofit housing groups.
- Setting up an affiliated nonprofit organization, Tarrant County Homes, to buy and rehabilitate rental properties.

Low-Income Housing Conditions

Since the oil and real estate recession began in the mid-1980s, Tarrant County has experienced major changes in employment, incomes and the housing market. While housing prices stagnated or even fell in some areas, incomes appeared to have fallen even faster.

In spite of this, the Tarrant County population increased by a very dramatic 35.9 percent, thus making it the fourth most populated in the state. Fort Worth's growth rate was 16.2 percent, less than half of the county's. Arlington, the other major municipality in Tarrant County, was the eighth fastest growing city (of over 100,000) population during the 1980s. Its 1990 population of 261,721 was a 63 percent increase over 1980. Much of the county's lower-income and minority populations are concentrated in Fort Worth, and its black and hispanic population, 22 and 19 percent respectively, are substantially higher than that of the county.

These were some of the key changes in the City of Fort Worth, where the problems have been most acute:

- Increase in poverty--In the City of Fort Worth, the number of residents in poverty increased from 13.5 percent (about the national average) to 21 percent.

- Job losses--In early 1993, Fort Worth's unemployment rate stood at 10.8 percent, compared to a 7.9 percent national rate at that time. Since 1990, Fort Worth has lost over 20,000 defense-related jobs.

- Increase in homeowner housing cost burdens--Between the 1980 and 1990 censuses, the number of homeowners paying over 35 percent of their income for housing increased over 325 percent--a startling statistic. This was apparently due more to losses of income than increases in housing costs (which were modest).

- Drop in homeownership--The homeownership rate dropped from 62 percent to 55 percent between 1980 and 1990.

- Increase in vacancies and abandonment--In the 1980s, the vacancy rate increased from 7.6 percent to 13.5 percent. Five percent is generally considered normal. The lowest-income neighborhoods in Fort Worth experienced vacancy rates as high as 30 percent and serious abandonment.

- Aging housing stock--Most of Tarrant County's homes were built after World War II, but the housing stock is starting to show its age. In the 1980s the number of housing units over 30 years old (an indicator of rehabilitation needs) increased by 34 percent.

These conditions drove TCHP's major strategies, which are:

1. Neighborhood revitalization--TCHP strongly supports neighborhood-based nonprofits and has steered its affiliate, Tarrant County Homes, towards acquiring and rehabilitating homes in one of the most distressed Fort Worth neighborhoods, Polytechnic Heights.

2. Making homeownership more affordable--Through its own direct leveraged financing programs and programs of other nonprofits that it has funded, TCHP makes home purchases more affordable and provides counselling to insure that new homeowners are more likely to succeed.

3. Taking advantage of rental acquisition/rehabilitation opportunities--TCHP has funded projects of its affiliate, Tarrant County Homes, and other organizations that take advantage of the many opportunities to buy rental properties at bargain prices. Much of the production to date has benefitted special needs households such as the chronically mentally ill and people living with HIV/AIDS.

Community Approach to Low-Income Housing

At the end of 1993, as at the time TCHP was formed, the major local low-income housing programs were operated by Tarrant County's three largest local governments and their respective housing authorities and housing finance corporations.

The City of Fort Worth assists about 700 households a year with weatherization, home repairs, first-time homebuyer programs, rental rehabilitation financing and transitional rental assistance. Until

TCHP was formed, Tarrant County and the City of Arlington focussed primarily on homeowner rehabilitation programs and periodic bond-financed low-interest home purchase programs.

Trend Toward More Nonprofit-Sponsored Programs

Two noticeable changes have occurred during the period of HUD support for partnership activities in Tarrant County involving many organizations in the public and private sector. The number of families receiving subsidies for home purchases in tandem with leveraged conventional financing homeownership has increased from a handful to nearly 50 a year. Furthermore, production by nonprofits has increased substantially, as has the number of new nonprofit housing organizations.

Over the past 10 years, one or more of the local jurisdictions (but most particularly Fort Worth) have been interested in fostering nonprofit- and community-based housing programs. But previous attempts had mixed results and were low in overall output. Sluggish or declining housing markets were one problem. Lack of effective lender involvement was another. Lack of a funding base was still another.

At the time TCHP was formed, there were five active nonprofit housing groups. Fort Worth Neighborhood Housing Services operates home buyer acquisition/rehabilitation programs in the Northside neighborhood. Liberation Community buys, rehabilitates and resells homes in Fort Worth's Polytechnic area. PV Inc. operates a 250-unit mid-rise apartment building and rents to the elderly and individuals with special needs. Housing Opportunities is a housing counselling agency that works primarily with new homebuyers and families in foreclosure. And Community Enrichment Center houses over 50 formerly homeless families in HUD's "$1-lease" houses.

By the end of 1993 there were at least 15 organized nonprofit housing groups in Tarrant County, of which at least 10 were providing some form of housing assistance (the rest were formative). The new HUD programs, HOME and HOPE, along with operating support from TCHP, have provided important funding for this expansion.

The City of Fort Worth has had the most experience with nonprofits and in the past has been frustrated with the low scale of production. Nonetheless, the three major local governments now firmly support privatization of housing programs to nonprofits, to the extent feasible. This is evidenced by their willingness to provide project funding to TCHP and other nonprofits. In fact, in some program areas, nonprofits have not increased capacity fast enough to keep up with the funding set aside for them.

By the end of 1993, the City of Fort Worth was also considering providing operating funds to approximately six actual or potential Community-Based Housing Development Organizations (CHDOs) among the 15 nonprofit housing groups.

Role of Partnership

Tarrant County Housing Partnership was formed to fill roles that were essential to increasing nonprofit-sponsored housing assistance to lower-income families. Some roles were intended to assist existing or newly forming nonprofit housing agencies. Other roles were intended simply to take advantage of opportunities that were not being exploited by other nonprofits, and thereby to increase overall affordable housing production. TCHP's major functions as of the end of 1993 were:

1) Providing operating support to nonprofits--In two annual funding rounds in 1992 and 1993, and in several special actions during that time, TCHP has provided $470,000 in operating support to 13 nonprofit housing groups, including $100,000 to its spin-off, Tarrant County Homes. The major sources of these funds were the local foundations named earlier in this discussion, along with the local United Way. The Fannie Mae Foundation augmented these resources in 1993 with a three-year grant of $120,000.

2) Providing low-rate or deferred payment loans to nonprofit-sponsored affordable housing projects--TCHP provided over $800,000 in predevelopment or permanent financing to four multifamily rental projects and two programs involving first-time home buyers.

3) Providing zero percent interest, deferred payment loans to first-time home buyers--TCHP directly provided HOME and CDBG funds for this purpose to 54 low-income families. Funds for these loans came from Fort Worth and Arlington city governments and Tarrant County, and the program operated in all jurisdictions. TCHP performed marketing and initial intake functions and referred families to Housing Opportunities for home purchase and credit counselling. Applicants that prequalified were given a second mortgage loan commitment for up to $15,000 and assisted, if necessary, with inspecting homes, negotiating purchase contracts, obtaining first mortgage loans and getting repairs funded and completed. By late 1993, five of TCHP's seven staff people spent most of their time on these activities. With over $5 million in HOPE 3 funding awarded in two rounds in 1992 and 1993, TCHP (in conjunction with the City of Fort Worth) was expected to expand this effort in 1994 into acquiring, rehabilitating and selling approximately 250 homes countywide. At the end of 1993, about 30 homes had been acquired by the City of Fort Worth, whose staff is responsible for a little over half of the HOPE 3 program implementation as a subcontractor to TCHP.

4) Giving technical assistance to nonprofit housing groups--This work to date has mostly involved assistance in packaging multifamily rental projects. There is a desire on the part of some of TCHP's funders that this role be expanded greatly.

5) Sponsoring training for staff members of local governments and nonprofits--Under the HUD-supported partnership-building effort, about a dozen local housing professionals attended one-, two- and three-day workshops on business planning, construction management, designing acquisition/rehabilitation programs and other topics.

6) Setting up affiliated rental development organization--TCHP organized the board of Tarrant County Homes, provided $100,000 in start-up funds and has set aside $500,000 in additional funds for initial operations. The agency was staffed in spring 1993 and had acquired seven homes by the end of 1993.

Partnership Accomplishments

1) Funding commitments and expenditures for projects--Since its inception, TCHP has received or been allocated nearly $16 million in project funding:

- $2.57 million from the City of Fort Worth in CDBG, HOME and local funds
- $300,000 from the City of Arlington (CDBG and HOME)
- Nearly $750,000 from Tarrant County (HOME and local funds)
- $800,000 from three local foundations
- $5.2 million by competing successfully for HOPE 3 funds

- $6.3 million in commitments for conventional financing from four local lenders

With these funds, as of the end of 1993, TCHP had made over $800,000 in loans to other nonprofits and over $600,000 in loans to first-time home buyers. TCHP loans had leveraged over $3 million in conventional financing. While the CDBG and HOME funds did not represent "new" funding created by TCHP, the partnership is responsible for getting substantial amounts of these funds allocated for nonprofit agency activities and significantly increasing leverage of conventional financing.

2) Funding commitments and expenditures for operations--TCHP has received or has been allocated over $1.6 million for its own operations, grants to other nonprofits or working capital loans to other nonprofits, as follows:

- $1 million from three local foundations
- $100,000 from the United Way of Tarrant County
- $120,000 from the Fannie Mae Foundation
- Approximately $400,000 from the HOPE 2 program

With these funds, TCHP has raised its projected budget that covered its own staff and provided or committed $470,000 in operating support to other nonprofits. All funds are new resources brought to the nonprofit housing sector.

3) Production--The Partnership has, to date, helped or has committed to help 316 low-income households through internal programs, funding nonprofit operations or funding nonprofit-sponsored projects: 54 families have received assistance through TCHP's home buyer program; 134 of these households received assistance from other nonprofits; and 128 units are under construction by other nonprofits.

Completed projects include: houses purchased and rehabilitated by Liberation Community, homebuyers that were financed by NHS, and a 32-unit single-room occupancy rehabilitation project for people living with HIV/AIDS (sponsored by Samaritan Housing Inc.) Projects in progress at the end of 1993 included: the rehabilitation/financial restructuring of PV Inc.'s 250 apartments, a 96-unit apartment acquisition/rehabilitation project by Mental Health Housing Corp., and seven homes being rehabilitated by Tarrant County Homes. All of the households assisted have incomes at or below 80 percent of median income.

4) Capacity building--TCHP has built nonprofit capacity through its own first-time home buyer program, creating Tarrant County Homes, and providing operating support and technical assistance to other nonprofits.

5) Systems change--TCHP and other nonprofit groups in Tarrant County have contributed to a gradual change in the housing delivery system away from public agencies and toward nonprofit agencies. And while a few lenders offered affordable housing products before TCHP was formed, TCHP and other nonprofits have in the past two years attracted a great deal more conventional financing to affordable housing projects.

Role of the Intermediary

The Enterprise Foundation, funded by HUD and local dollars, played a major role in the conception of TCHP and for a year following with planning and implementation. Enterprise performed the following functions:

- Drafted an initial strategic plan in June 1991 that was adopted by the United Way Affordable Housing Task Force and became a blueprint for organizing and funding TCHP.

- Helped to write proposals and make presentations in 1991 and 1992 that resulted in raising all initial funds needed from the City of Fort Worth, City of Arlington, Tarrant County, three local foundations, local lenders, the local United Way, HOPE 3 and Fannie Mae.

- From June 1991 until staff was hired in April 1992, acted as "borrowed staff" to provide technical assistance to existing nonprofit groups to help them prepare new projects and funding proposals. Enterprise also developed (for board review and approval) initial policies and procedures including funding guidelines and application processes, as well as agendas and minutes for board meetings, and helped recruit and screen initial staff.

- For eight months after staff was hired, continued to assist with applications for operating funds and project subsidies, and more limited technical assistance to projects. A business plan was developed for TCHP's Tarrant County Homes rental development subsidiary that was not accepted.

After an initial 18-month engagement, Enterprise's formal and intense relationship under the HUD contract ended at the end of 1992. The initial tasks were completed, the budget was depleted and some friction had developed between the assigned Enterprise staff and TCHP's leadership.

Approximately 10 months later, in October 1993, TCHP contracted with Enterprise for additional technical assistance from a different team. This new work was to focus mainly on capacity building with Tarrant County Homes and other nonprofits, assistance with financing, representation in Washington, DC, and assisting TCHP with internal programs.

In 1993, Enterprise committed $31,230 to three Fort Worth nonprofit housing developers under the HOME Technical Assistance to CHDOs Program. These funds may be used for operational support and/or the cost of Enterprise technical assistance for housing development, management and homeowner education. The three nonprofits are: Liberation Community, Inc. ($14,961), The Community Development Group ($7,924) and Renaissance of Inner City Housing, Inc. ($8,344).

Elements Critical to Success

There were four factors critical to the establishment of the Partnership:

- The planning and organizing work of the United Way Affordable Housing Task Force, and the presence on the task force of community leaders and potential funders which gave the effort immediate legitimacy.

- Early funding commitments from the three major local governments and three local foundations, and the availability of ample new funding sources such as from the HOME and HOPE programs.

- The fact that existing nonprofits had achieved some production and community recognition.

- The presence of an outside intermediary to help with strategic planning, organizing the Partnership, obtaining funding, and providing technical assistance and training to the nonprofit organizations.

Partnership Problems

With Enterprise's advice, the task force set a goal of assisting 700 households in two years. The strategic plan, TCHP's business plan, and Tarrant County Homes' objectives and initial funding were all based on these goals. While a good start was made on most program areas, TCHP's capacity and the capacity of other nonprofits did not increase quickly enough to meet the original goals.

The program that lagged most was Tarrant County Homes, the affiliated rental development group. There were delays in getting it organized and staffed, and once staffed at the end of 1993, there were still problems with attaining a continuous flow of production.

In retrospect, it may have been too much to expect that the newly created TCHP board would have the confidence to create a separate development organization while TCHP was still formative. Enterprise had proposed that it be aggressively involved in setting up this subsidiary, since the City Homes model had been promoted by Enterprise based on experience in setting up similar organizations in Baltimore, Dallas and Topeka. However, this degree of involvement was rejected by TCHP.

Furthermore, TCHP started with a board that had little cross-over in membership from the United Way task force, and it consequently had a steep learning curve. The result was to go slowly on some decision-making. In 1992 and 1993, this delayed some needed staffing and program implementation. Also, TCHP experienced turnover of key staff members in its first year. These problems were being addressed at the end of 1993. The board had become more knowledgeable and certain of its directions. Additional key staff members were recruited and there was consideration of at least one more position dedicated to working with other nonprofits.

And finally, while existing nonprofit housing groups were involved to some extent with early planning for TCHP, there were still some relationship problems with TCHP. Initially, existing groups perceived that TCHP's success in raising private grants had limited their own fund-raising potential, a concern that has somewhat abated. Also, most nonprofit groups felt that neither Enterprise nor TCHP had provided enough technical assistance, or necessarily the right technical assistance. At the end of 1993, this problem was being addressed through on-going dialogues with nonprofits and planning new approaches. The results of these discussions will focus on the technical assistance being provided by TCHP and help to adjust the amount of time Enterprise will direct to Tarrant County.

JACKSON, MISSISSIPPI

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
196,637	-3%	44%	56%	0.4%	$23,270	$28,401	29%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
9%	$620	$388	22%	18%	52%	39%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
60%	55%	47%	34%

* See Description of Terms

Partnership Description

Early in 1990 the City of Jackson invited The Enterprise Foundation to assess local efforts to meet low-income housing needs. The specific tasks involved in the request included: examining the city's rehab programs; assessing the possibility of private sector involvement in housing programming; and assessing the likelihood of public and private support for organizing a citywide nonprofit housing production effort.

The resulting report made the following five recommendations:

- The Mayor should convene a task force to guide the formulation and implementation of new and revised programs and identify resources to support housing production efforts.
- Improve production efficiencies of city-financed housing rehab programs.
- Stabilize neighborhoods through more effective codes, licensing and enforcement.
- Review the structure and staffing of the city housing programs.
- Promote Jackson's housing efforts through enhanced communication.

Mayor Kane Ditto responded to the first recommendation. His office helped assemble a task force representing a cross section of the community--housing advocates, nonprofit producers from all of Hinds County, lenders, and other business and community leaders. By this time Enterprise was under contract with the City, supplementing the HUD Partnership contract. Enterprise was asked to facilitate and design the task force meetings. City staff and Community Planning and Development (CPD) staff from the HUD Field Office served as advisors.

The result of the task force's work was a strategic plan for the formation of a Public-Private Partnership. The plan, issued in August 1991, laid out three main objectives for the partnership:

modify the existing system to boost production of owner-occupied and rental housing rehab; develop a new program to create home-ownership opportunities for first-time home buyers; and engage in a capacity building effort directed at the existing low-income housing producers.

By early 1992 the Jackson Metro Housing Partnership (JMHP) was incorporated and an application was made to the IRS for section 501(c)(3) status. The board engaged in a fundraising effort among the city's leading corporations and a national search began for an executive director. Discussions also commenced with the city to make JMHP a HOME and Community Development Block Grant (CDBG) sub-grantee of the city. An executive director was hired in November of 1992. After final agreement on program design was worked out among JMHP staff, board and the city's Community Development staff, production programming was underway.

Key Players

A factor that made Jackson a successful location for partnership building was that there was a high degree of consensus between neighborhood oriented advocates and developers, banks and corporate leaders. The Mayor was a key force in bringing people together and increasing public awareness of housing as an important issue.

The two major utility companies serving Jackson have been steady supporters of the effort. Matt Holleman, CEO of Mississippi Valley Gas, provided strong leadership during the task force phase. Don Meiners, CEO of Mississippi Power and Light, co-chaired the task force with former First Lady of Mississippi, Elise Winters, and was later elected chairman of JMHP's Board of Directors. Additional corporate leadership came from the state's largest commercial and savings banks, Deposit Guaranty, Trustmark and Magnolia Federal. The Bank of Mississippi and Sunburst also were helpful in working through the issues of organizing the partnership.

Melvin Anderson, executive director of the Voice of Calvary Ministries, a nonprofit housing producer, lent a supportive and critical role to the partnership formation process. He was able to articulate the concerns of the nonprofits and also see the potential value of organizing a city wide entity. Additionally, the work of the Jackson Habitat for Humanity provided inspiration to many that it was possible to produce housing for low income families in a humane manner and in the context of the surrounding neighborhood.

The law firm of Watkins, Ludlam and Stennis provided legal advice on organizing the Partnership and carried the new corporation through the difficult and protracted process of gaining IRS nonprofit status. Martha Ross Thomas, in particular, provided her experience in nonprofit corporate organization.

Entergy, the New Orleans based utility holding company that owns Mississippi Power and Light, led the corporate fund raising drive for JMHP.

Purpose

The focus of JMHP is to broaden housing opportunities for low income people. JMHP's additional purpose is to assist other nonprofits improve their production capacity. Given the housing market and demographic patterns, the production emphasis is on rehab of existing stock. Furthermore, Mayor Ditto is very vocal about the need for preservation of the existing housing stock.

JMHP's focus on very low-income people is, in part, a result of IRS's requirements that JMHP meet certain very low income objectives in order to meet interim criteria for a housing production entity to receive nonprofit status. In addition, the use of city funds requires that beneficiaries generally be below 80 percent of median family income.

Program Descriptions

JMHP has implemented three financing programs. All three rely on the use of sub-granted city HOME or CDBG funds to provide below market rate loans that meet the low income market served. Additionally, JMHP provides project related grants to nonprofits:

<u>Single-Family Homeownership Loan Program (First-time Home Buyers)</u>: Financing in the form of soft second mortgage loans is provided in tandem with below market interest first mortgage financing from any of the four participating commercial banks for the acquisition and repair of homes by first-time homebuyers. The JMHP second mortgage can be for up to 20 percent of the purchase price of the house. Homeownership counseling is required for first time home buyers seeking approval for a soft second mortgage.

<u>Multifamily/Single-Family Rental Development Loan Program</u>: Financial assistance in the form of low-interest loans will be made to owners of rental properties for the purpose of rehabilitation. Loans are provided in tandem with lender financing. This program largely replaces the city's rental rehab program and is available to nonprofit or for-profit developers.

<u>Owner-Occupied Rehabilitation Loan Programs</u>: Financing is made available to lower-income homeowners to repair their homes anywhere in the city. This complements the city's program which serves specific neighborhoods.

<u>Grants or Loans to Nonprofits</u> : Funds are provided to nonprofit housing producers to assist in the acquisition of property for rehabilitation or new construction, for either rental or sale programs. Predevelopment expenses can be covered as well. Through this program JMHP has become a financial partner to the city's nonprofits.

JMHP Functions:
<u>Lender</u>

- Intake/Underwriting/Construction Monitoring
- Acquisition/Construction Financing for Rental Housing
- Soft Second Mortgages for First-time Home Buyers
- Owner-occupied rehab loans

<u>Counselor</u>

- Homeownership Training Sessions for First-time Homebuyers

<u>Nonprofit Assistance</u>

- Technical Assistance to Nonprofits
- Acquisition/Construction Financing for Rental Development

Low-Income Housing Conditions

Up until 1980, Jackson's population steadily increased; however, this trend changed in the 1980s when growth in the suburban areas around Jackson soared and central Jackson began to lose population. The city suddenly had to face a new dynamic -- that its prospects were similar to many other central cities with a low-income and predominately minority core within a relatively affluent metro area.

Low housing costs accelerated the suburban drive and allowed many moderate income African-American families to buy homes in the outer parts of the city. The result has been a steady depopulation of the older inner-city neighborhoods. These neighborhoods are now largely inhabited by the very poor and include many families on assistance living in older, deteriorating homes. Nineteen eighty-nine Census data indicates that approximately 16.9 percent of Jackson's population, or 8,307 families, have incomes below $10,000. Jackson is now 56 percent African-American. Very few blacks live in the suburban ring outside of the city.

Enterprise's assessment found that Jackson has an abundance of substandard and abandoned properties with 12 percent of the housing stock (8,750 units) being in substandard condition. At least 2,000 of these units are beyond repair. City housing data suggested that in the late 1980s and early 1990s about 400 additional housing units annually fall into the substandard category. Much of the central city housing stock is composed of "shotgun" houses. These were built simply and often at very high rates of density. With years of inattention many of these properties have become uninhabitable.

Jackson has only 488 public housing units, a very low number for a city its size. One thousand two hundred-fifty households are waiting for a public housing authority unit. There is a regional housing authority that administers 1,600 Section 8 rent certificates in Jackson with 3,100 families on the waiting list.

The private sector took advantage of the highly subsidized, market-oriented housing programs of HUD (below market rate interest and mortgage insurance) but has not made significant use of the Low- Income Housing Tax Credit program. One 1991 study determined that assisted housing developments in Jackson have a 1.7 percent vacancy rate. This contrasted with an 8.0 percent vacancy rate for market-rate rental housing in Jackson.

Jackson has also experienced a very high rate of foreclosures on FHA insured single-family houses. From 1990 to 1993 there were often as many as 180 to 250 single-family houses in FHA's inventory at any one time.

Community Approach to Low-Income Housing

Prior to JMHP there was a limited amount of activity in the area of affordable housing production. The work emanated from the city and two nonprofits, Habitat for Humanity and Voice of Calvary Ministries. The city used its CDBG money to operate an owner-occupied rehabilitation program. In 1990, approximately 60 homes were rehabilitated. The limited- or emergency- repair program serves an additional 175 families a year. Habitat, through fundraising and volunteer efforts, was constructing and/or rehabilitating approximately three to five units per year. Voice of Calvary Ministry (VOCM) focuses its housing efforts in the Olin Park neighborhood of West Jackson. Through fund raising, limited bank financing, and the use of volunteer labor and sweat equity from prospective buyers, VOCM was acquiring, rehabilitating and selling five to 10 units per year. VOCM also acquired, renovated and rented an 11-unit apartment complex. NHS of Jackson operated both an owner-occupied rehabilitation and acquisition/rehabilitation sale program (primarily with city funds), but by the early 1990's its production efforts declined and has since ceased operations. The lender activity entailed small scale, annual grants/low interest financing to Habitat for Humanity and VOCM.

Since the creation of JMHP:

- The lenders are providing first mortgage financing for first-time homebuyers and rental housing development in the central city. The homebuyer loans are at a below market interest rate. These funds are used in tandem with soft-second funds provided by JMHP.

- Habitat for Humanity has increased in capacity to about 20 units per year. This increase is not directly related to the creation of JMHP. However, JMHP has allocated funds to help them reach this goal.

- Voice of Calvary Ministry has strengthened its focus on its intensive neighborhood rehab and family oriented human development programming. JMHP has allocated development funds to Voice of Calvary.

- The city has subgranted virtually all but the Community Housing Development Organization (CHDO) set-aside of its HOME funds and a significant portion of its CDBG funds to JMHP. JMHP is using these funds to implement its programs.

- The West Jackson CDC, the city's only CHDO, came into existence in 1991 to address the housing and community development needs in the West Jackson area, the city's largest inner-city residential neighborhood. It was created with assistance from SEEDCO and the leadership at Jackson State University (JSU). It is targeting its housing efforts on improving both ownership and rental conditions in the JSU area. It is:

    1. operating a CDBG funded owner-occupied rehab program;

    2. implementing a HOPE III implementation grant for 10 units (JMHP is providing the permanent financing); and

    3. in the process of renovating an eight-unit apartment building and several adjacent single-family units for a combination rental and sale program using City of Jackson HOME CHDO set-aside funds.

Role of Partnership

JMHP's board began a successful fund raising campaign at the time of incorporation. The utility companies and the four commercial banks raised $500,000 for JMHP operating costs. The city, in designating JMHP as a subgrantee, pledged $2,000,000 of its CDBG and HOME funding. The city's banks have pledged $14,000,000 in lending volume. Additionally, the City committed $20,000 to support additional Enterprise capacity building technical assistance for JMHP, the City, and nonprofit housing developers.

Using the programs described above, JMHP has achieved the following through 1993:

- Closed 42 soft second mortgage loans. Each loan has been accompanied by a first mortgage from one of the commercial banks.

- Almost 500 people completed a pre-purchase counseling course. This effort is supported by Entergy Corp.

- Closed its first multifamily loan: a $78,000 low-interest second mortgage loan for the rehabilitation of a 26-unit apartment complex.

- Approved 15 owner-occupied rehab loans.

- Awarded $45,000 and $50,000 to Voice of Calvary and Habitat for Humanity, respectively, for their acquisition, rehabilitation and sale programs.

- Began plans for a model block in the Midtown neighborhood with Habitat and the Housing Authority as development partners.

The Partnership also helps to play the role of facilitator. JMHP's advisory committee is comprised primarily of nonprofit housing groups' executive directors and housing advocates. To some degree this group serves as a roundtable forum for low-income housing interests in Jackson.

Relationship with Other NonProfits and Others Involved in Housing

JMHP, aware of the potential for tension between the partnership and nonprofits over limited funding, took efforts to cultivate its relationship with other nonprofits. It has focused its dialogue with other groups on the value that each brings to the Jackson affordable housing arena.

The issue of competition for resources was raised and discussed early in the task force phase of the process. It was recognized that those nonprofits that received corporate contributions could lose support if those resources were to be directed entirely to the new partnership. It was stressed that support for the partnership should not be at the expense of the nonprofits. With the exception of one of the banks, this has been the case. As JMHP engages in its next round of fund raising, it will target a larger share of unrestricted funds for the support of nonprofits.

Partnership Accomplishments

First year activities of JMHP have played a significant role in building new systems in Jackson and altering the community's approach to its housing and neighborhood revitalization needs.

- Banks now have a vehicle that allows them to make loans to market segments that otherwise would not be able to access bank capital. This should be viewed as a first step toward increasing private investment in the lower income neighborhoods.

- The city has found a useful partner in JMHP. It is a means of helping the city fulfill its need for affordable housing and to more effectively use funding sources.

- Through financing the sale of privately owned homes, neighborhoods are now getting better "comps" and in turn helping to rejuvenate sales and preserve equity in lower income neighborhoods.

- JMHP provides nonprofits with a local source of technical knowledge on development, construction and finance issues.

- The partnership has helped to broker assistance from Enterprise to other groups including special needs and human service providers. In 1993, Enterprise committed $41,435 to West Jackson CDC under the HOME Technical Assistance to CHDOs Program. These funds will be used for the CDC's operating budget. Enterprise technical assistance will be provided on construction management issues for the CDC's first rental rehab project.

- Jackson now has an entity to undertake difficult deals and develop creative solutions for complex issues.

- JMHP is a source of information and training for first-time homebuyers which is a very important component of the community's housing system.

- New sources of financial support for housing issues were obtained and by aggregating these new sources, JMHP helped to make the pie bigger. Similarly, by attracting corporate leaders, housing gained visibility and legitimacy as an issue.

These accomplishments have set the stage for future initiatives. A plan is emerging for a model block in a central city neighborhood. JMHP and Habitat are preparing a collaborative strategy to completely rehab a two block area. A cluster of medical institutions and colleges is being considered for a special partnership between the institutions and the surrounding low-income area. JMHP would manage the new partnership and attract additional resources and leadership directed at expanding opportunities in low-income areas.

KENOSHA, WI

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
80,352	3%	90%	6%	6%	$27,770	$32,883	18%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
4%	$635	$400	12%	43%	59%	37%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
70%	52%	42%	30%

* See Description of Terms

Partnership Description

The Kenosha Housing Partnership (KHP) was established in late 1991 in response to a growing need for affordable housing in the City of Kenosha, WI. Based on several recommendations made by the city's Affordable Housing Task Force, the City took the lead role in promoting the creation of the Partnership and an Affordable Housing fund. The Kenosha Housing Partnership is a quasi-private-public nonprofit, non-stock corporation created under state statutes. It functions similarly to a private corporation, but its services are provided to the public on a nonprofit basis. The Partnership operates within the corporate boundaries of the City of Kenosha.

The goal of the Partnership is to promote the development and preservation of affordable housing in the City of Kenosha through its administration of an Affordable Housing Fund (AHF). Specific objectives are to: 1) increase quality and quantity of multifamily rental housing; 2) ensure that rental projects remain affordable; 3) create affordable homeownership opportunities; 4) increase the supply of affordable, special housing for elderly and handicapped; 5) preserve the supply of existing, affordable housing in the city; 6) assist projects that will contribute to neighborhood revitalization and stability; and 7) maintain financial integrity of the Affordable Housing Fund so that there is a permanent source of assistance for affordable housing projects.

The Kenosha Housing Partnership (KHP) operates as a housing development corporation. It receives funds from a variety of sponsors and blends sources of funds in an appropriate manner to finance affordable housing. The Kenosha Department of Housing and Neighborhood Development (HAND) administers and manages the activities of AHF. The fund is capitalized from three primary sources: 1) loans from financial institutions; 2) city loans and grants (including Community Development Block Grant (CDBG)); and 3) loans from local and regional corporations.

Local nonprofits, local lenders, corporations and the city were all instrumental in the establishment of the Partnership and the Fund.

AHF funding provides debt financing, both construction and permanent, acquisition and rehabilitation funds for first-time homebuyer projects, land acquisition, and second mortgage loans.

Low-Income Housing Conditions

Kenosha's location in the increasingly urbanized Chicago-Milwaukee corridor significantly effected its development. Both Chicago's and Milwaukee's growing housing markets are expanding outward. With rising housing values in the northern suburban Chicago area, people looked to Kenosha's existing housing stock as well as its newer developments which increased population and housing costs. The average sale price of a single-family home increased 22 percent from $62,410 to $80,410 in four years. In addition, Kenosha's rental vacancy rate was low at 4.7 percent.

According to 1990 Census data, there were 30,008 households in the city, 90.8 percent white, 4.8 percent African-American and 3.5 percent Hispanic. Kenosha's median income, at $32,883, was below the national median income. Fifty-two percent of Kenoshan households were at or below 80 percent of the city's median income. Sixty-eight percent of African-American and Hispanic households fell below the median income. Overall, 22 percent of the city's households were considered very low income (below fifty percent of the median family income) and nineteen percent of households were considered low income (fifty-one to eighty percent of median family income).

According to 1990 Census data, forty-three percent of the city's housing stock was constructed prior to 1949. Ninety-one percent of the city's housing built before 1940 was occupied by low- and very low-income households. There was a need for maintenance and repair programs for existing homes. Due to increased housing demands there was also a need for additional subsidized and affordable housing units, both rental and homeownership. There were no vacancies in any subsidized projects in the city, and there are no unused Section 8 certificates.

Regarding the homeless population, Kenosha had six overnight shelters--all run at or near capacity.

Community Approach to Low-Income Housing

The City of Kenosha had an established housing staff as well as several active nonprofits, most notably Neighborhood Housing Services (NHS). City supported NHS with Revolving Loan Funds and administration funds. Ninety-one percent of CDBG expenditures for 1990 were used for activities benefitting low- and moderate-income persons and 7 percent for activities aiding in the elimination of slums and blight. The majority of Kenosha's CDBG-funded activities in the housing area revolved around rehabilitation through a City Revolving Loan fund, a loan fund operated by NHS, and a Target Neighborhood Revitalization Project.

Prior to the HUD Partnership program, Kenosha had a successful, but small program which needed training, technical assistance and coordination in order to grow and produce additional affordable housing units. Private lenders, some of whom participated in the city rehabilitation loan program, were ready to commit additional resources. Local nonprofits were in place, but needed additional training and resources to continue existing work and grow. The Mayor formed an Affordable Housing Task Force, and the Kenosha Department of Housing and Neighborhood Development was reorganized to focus on new housing initiatives.

Role of Partnership

The City of Kenosha, with assistance from the National Development Council (NDC), took the lead in establishing the Kenosha Housing Partnership. The Partnership was a successful public-private partnership which greatly enhanced the city's housing delivery system. Both private and nonprofit developers had a capable development partner in the city and support from private lenders and corporations. Initial funding for the partnership consisted of: 1) private lender commitments of $1,950,000; 2) Wisconsin Electric Power Co. with $200,000; and 3) a CDBG commitment of $393,000.

The following is a summary of KHP/AHF projects to date:

a. Senior Housing Project: The KHP agreed to acquire 12 acres of land and lease it to an affordable senior housing project. In addition, KHP would provide the debt financing for the 102-unit project. The seniors group backed away from the deal with the city. They ended up working with a private developer and it was anticipated that they will approach KHP for debt financing in 1994.

b. Multifamily New Construction: The KHP provided $70,000 in construction and permanent financing to a private developer building six new rental units. KHP financing represented 25 percent of project costs and the developer was setting aside 60 percent of the units for low- and moderate-income families.

c. Purchase/Rehabilitation/Resale: KHP provided $135,500 in construction financing to Neighborhood Housing Services (NHS) for the purchase and rehabilitation of four rental buildings. The project involved the conversion of three two-unit buildings to single-family houses and the subsequent sale to first-time home buyers. All four homes were to be sold to low- and moderate-income families.

d. KHP: Affordable HOMES Program: KHP applied for and received $165,000 in HOME funds and $55,000 in funds from the State of Wisconsin. The HOME monies were to be used to promote homeownership for first-time home buyers and the state funds were to be used for downpayment and closing cost assistance for first-time home buyers. Working with NHS and the city, the KHP anticipated six homes would be built or purchased/rehabilitated by first-time home buyers with the HOME funds, and 20 buyers will benefit from the HCRI funds over the next 18 months.

e. Infill New Construction: KHP negotiated the purchase of 16 acres of vacant land in the inner city. Once acquired, KHP intended to develop the site with 60-70 single-family homes, either as co-developer or as sole developer. Construction was scheduled to begin in late 1994 or early 1995. Acquisition cost was $232,000 and total development costs were projected at over $11,000,000.

f. 1994 planned projects:

- Second Mortgage Loan Program--a fund to be used by NHS in conjunction with their first-time homebuyer program. As proposed, KHP will set aside a portion of its Affordable Housing Loan Fund to use in acquiring second mortgage loans originated by NHS. Approximately $500,000 will be set aside for this program.

- Single Room Occupancy (SRO) Rehabilitation--A local nonprofit had a 101 unit SRO building to be rehabilitated. If the project moves forward, KHP will provide approximately $300,000 in construction and permanent financing if additional funding commitments can be obtained.

- NHS Infill and New Construction--NHS 1994 development plans indicated a need for $500,000 in construction financing and approximate $250,000 in permanent financing for single-family infill and lease-purchase row housing.

The Affordable Housing Fund contracted with the Kenosha Department of Housing and Neighborhood Development (HAND) to provide all staff functions to the loan committee and all screening, packaging and servicing functions to the Affordable Housing Fund. HAND will also, under their contract, assist developers with development plans, financial proformas and financing structures. Both HAND staff and nonprofit staffs received extensive on-site, project-specific technical assistance as well as formal classroom training in housing finance from NDC.

Partnership Accomplishments

The Partnership in Kenosha has successfully blended private- sector lenders, nonprofits, city staff and state funders into a working model for the development and financing of affordable housing to meet the needs of the city. These housing needs were clearly set forth both in the city's Comprehensive Housing Affordability Strategy (CHAS) and the report of the Affordable Housing Taskforce.

The Affordable Housing Fund greatly increased the amount of financing available. The Fund complemented, rather than substituted for, programs which existed in both the private and public sectors. Private lenders were relieved of costly origination and servicing functions, and had limited credit risk. Nonprofits had a source of financing which also includes technical assistance in their development projects. Through the Affordable Housing Fund, the City of Kenosha reaped the benefits of increased affordable housing, improved housing stock, stabilized property values and increased construction employment.

NDC/Partnership Activities

NDC's economic and housing development finance expertise was crucial in the establishment of the Kenosha Housing Partnership and the Affordable Housing Fund. NDC obtained the commitment of the Mayor and City Council for participation in the HUD program, negotiated the scope of work with the city and met with the Kenosha Affordable Housing Task Force to design program parameters for the Housing Trust Fund (now the Affordable Housing Fund). NDC assisted in the initial organizational process, including development of articles of incorporation and bylaws. NDC organized a series of investor meetings and received commitments from six lenders to provide approximately $2,000,000, as well as commitments from Wisconsin Electric Power and the city. NDC and the city met with the Milwaukee HUD Field Office to review the structure of the housing partnership.

When the HUD program began, two local nonprofits were in place and ready to increase their involvement in housing production: Kenosha Neighborhood Housing Services (NHS) and The Homework Project, Inc. Both of these nonprofits took advantage of capacity building support through NDC technical assistance and training. Staff of both organizations attended NDC's Financial Training for Housing Professionals workshop held in October 1991. NHS staff also attended additional NDC training sessions.

The Kenosha Housing Partnership is a financing vehicle which will serve for-profit and nonprofit developers, providing technical assistance, as well, to complete all the various stages of the development process. With NDC assistance, the city gained expertise with additional financing tools for housing development, including low-income housing tax credits, HOME funds, and HUD/FHA 203(k) loans. Commitment to the production of affordable housing by the city administration, local lenders and corporations, and nonprofits is the basis of this successful partnership.

Lessons Learned

While the structure of the Kenosha partnership was carefully crafted, certain issues arose that created impediments to the broad use of its programs. These issues include:

a. Partnership planning: Kenosha's original plan was for a specific product development loan fund. Once the fund was established, overall goals for use of the Partnership and funds were being decided. Development of specific products should precede the undertaking of additional activities.

b. Conflict of interest: Some of the Kenosha Housing Partnership Loan Committee members served on the boards of directors of other nonprofit organizations. This triggered HUD conflict of interest issues. The safeguard requirements made use of the loan fund resources exceedingly complex.

c. Use of CDBG funds: A major goal of the city was neighborhood revitalization, including both affordable and market rate housing development. Towards this goal, KHP wanted to use CDBG funds for acquisition of 16 acres of vacant, blighted property for development of affordable and market rate housing, creating an income mix among the residents. Use of CDBG funds on the front end of the project would lower the amount of homebuyer assistance necessary when the project is completed and provide the desired income mix, but Kenosha experienced a problem with using CDBG funds in such a project because of HUD's interpretation that the CDBG regulations on low/mod national objective compliance for a housing activity require that 100 percent of single family structures be occupied by low- and moderate-income persons. Since December 1993, HUD has, under certain conditions, authorized waivers to permit CDBG funds to be used for mixed income single family housing projects. Also, a rule effective February 6, 1995 identifies specific situations in which mixed income developments may be undertaken using CDBG funds. These may ease the implementation of the above strategy in Kenosha.

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
203,056	-8%	43%	55%	1%	$23,551	$29,021	35%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
9%	$692	$413	20%	44%	42%	49%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
67%	63%	55%	34%

* See Description of Terms

Partnership Description

Richmond LISC spearheaded a process to formulate and implement a strategic plan for housing production with a primary emphasis on single-family homeownership and secondary emphasis on affordable rental housing. While the city's housing stock is 60 percent single family, owner occupancy is only 42 percent. There was broad leadership for the effort emanating from LISC, the community development corporations (CDCs), the city and state, and lending institutions. The city had identified homeownership as a priority and reiterated this need in the Comprehensive Housing Affordability Strategy (CHAS). The CDCs planned and initiated homeownership efforts. The banks began to explore how they might play a role in financing affordable housing. Under the HUD Public-Private Partnership Project, LISC was able to pull these efforts together to formulate a coherent strategy.

The process involved: a strategic planning workshop; participation in the city's process for developing its CHAS; aid to the city in developing new programs using HOME and CDBG Section 108; and, providing training and technical and financial assistance to CDCs developing housing. The result of this process is that community-based organizations are developing more affordable housing in partnership with financial and technical assistance providers.

A strategic planning workshop was held in March 1992. It included representatives from: Richmond LISC, the City Departments of Community Development and Social Service, the City Housing Finance Agency, the Richmond Redevelopment and Housing Authority, Virginia's Department of Housing and Community Development, the Virginia Housing Authority, six CDCs, four banks, and Richmond United Way. Two major goals were identified by the participants -- crafting a CDC single-family affordable housing production program and increasing cooperation and communication among organizations developing affordable single-family housing. The process created and enhanced partnership relationships among the participants, resulting in more efficient development of affordable housing.

Along with this strategic planning process, the city convened and Richmond LISC program staff participated in, several committees to guide the city's housing and community development programs: the CHAS Task Force, City Strategy Team and the Section 108 Task Force. The CHAS Task Force, appointed by the city manager and City Council, oversaw the development of the city's CHAS. The City Strategy Team is the city's advisory committee to make recommendations for Community Development Block Grant (CDBG) and HOME funding. The Section 108 Task Force formulated a successful $10 million Section 108 request to HUD for a homeownership program. The funds are being used for low-interest loans in six neighborhoods for acquisition, site improvements and rehabilitation. The Task Force assisted in identifying which neighborhoods to target, deciding on types of activities to be undertaken and structuring the request for Section 108 proposals. Richmond LISC program staff also assisted the city in creating a second mortgage program using HOME funds.

Each of the partners in the housing production program have unique histories and are described below. Their roles in the partnership are elaborated under the Role of Partnership section.

Richmond LISC: The Richmond LISC Program began operating in June 1990. Funding for the program, provided by donations from corporations and foundations, was raised by the Richmond Better Housing Coalition and was matched by national LISC. The Richmond LISC program, like other LISC programs, is overseen by a Local Advisory Committee composed of local contributors. The chairman of the committee is Thomas E. Capps, chairman and CEO of Dominion Resources, Inc. Since its inception, Richmond LISC has supported nine CDCs throughout the city with loans, grants and equity investments totaling $4.4 million.

National Equity Fund: LISC's National Equity Fund, Inc. (NEF) was established in 1987 to encourage Fortune 500 corporations to invest in affordable rental housing developed by nonprofit community development corporations. In Richmond, NEF has invested $3 million in four CDC developments totaling 132 units.

The City of Richmond's Department of Community Development: The department administers the Community Development Block Grant (CDBG) program. The city's annual CDBG entitlement is about $6.9 million.

Richmond Redevelopment and Housing Authority: The redevelopment and housing authority has two main activities: It has built nearly 4,500 public housing units and has helped in the development and/or management of another 2,500 units; and it is involved in redevelopment efforts in blighted areas. It assists CDC housing development by selling to CDCs, vacant lots for single-family new construction, at an approximately 50 percent discount.

The Virginia Department of Housing and Community Development: The department provides a variety of programs to support affordable housing preservation and development. These programs include low-interest loans for construction of new homeownership housing, installation of indoor plumbing, renovation and construction of rental housing and congregate facilities, emergency shelter programs, emergency home repair programs, and weatherization.

The Virginia Housing Development Authority: The housing authority is a subdivision of the state of Virginia. The Authority's principal programs are single-family and multi-family bond financing. The Authority also administers a statewide Section 8 Certificate/Housing Voucher Program.

Partnership banks: The partnership includes NationsBank, Crestar, Signet, and Central Fidelity. Participating savings and loans include First Union, Franklin Federal, and Citizens Federal. These use the Federal Home Loan Bank's Affordable Housing Program.

Housing Opportunities Made Equal (HOME): HOME is a private, nonprofit organization which provides a range of housing counseling services, community programs in fair housing, and assistance to victims of housing discrimination.

Richmond Better Housing Coalition (RBHC): RBHC is a nonprofit organization established in 1988 to provide creative and collaborative efforts to address the need for low-cost housing. RBHC members include individuals from community based and service organizations, public agencies, lending institutions, the business community and grassroots neighborhood leadership. RBHC's programs include the development of affordable housing and supporting the housing development programs of CDCs.

CDCs: CDCs serve in the neighborhoods as the front line housing developers for the partnership using their own resources and those of the other partners. Richmond's CDCs are described below:

Church Hill Neighborhood, Inc.: This organization has been in existence since 1981. Through 1993, Church Hill brought on a new executive director, reinvigorating its program. It acquired and began to rehabilitate four homes in the Church Hill neighborhood.

Interfaith Housing Corporation (IHC): IHC grew out of an Ecumenical Housing Conference in 1989. Area churches and church groups came together to address housing issues. They got involved in solving the housing crises by providing housing opportunities, as an outgrowth of their homeless feeding and sheltering programs. In April of 1991, IHC hired a part-time executive director. IHC did not have a full-time executive director until 1993. To date, IHC has completed six single-family homes. It is currently rehabilitating 10 homes acquired from HUD, of which eight are pre-sold. It has acquired an additional 15 properties for development.

Oregon Hill Home Improvement Council (OHHIC): OHHIC was created in 1978 in response to substandard housing conditions, abandonment and increased flight of residents from Oregon Hill during the 1970s. OHHIC's housing advocacy efforts were instrumental in reversing expansion plans of Virginia Commonwealth University that would have eliminated three square blocks of housing in Oregon Hill. In 1990, efforts expanded to include housing development; in 1993, OHHIC had completed rehabilitation of seven homes.

Richmond Neighborhood Housing Services (NHS): NHS began in 1982 with the traditional NHS program of providing low- interest rehabilitation loans to homeowners. In 1993, the Board of Directors decided to begin direct housing development. Richmond LISC is providing pre-development and construction financing and Richmond NHS has already acquired two HUD homes.

Southside Community Development & Housing Corporation (SCDHC): SCDHC was incorporated in 1989 to promote affordable housing in the Bainbridge and Blackwell neighborhoods. SCDHC's development strategy is aimed at creating single-family ownership housing. It has completed 12 units on the 1700 block of Porter St.--four renovations and eight new construction units. SCDHC has also started construction on a 20-unit subdivision.

SRO Housing of Richmond: SRO Housing of Richmond was created in 1988 to develop affordable housing for single, low-income persons in the Richmond community. It was established to deal with the dramatic increase in homelessness in Richmond caused by decreases in federal funding to support subsidized housing. The organization works closely with neighborhood associations in obtaining support for development activities. It has completed the New Clay House, a 47-unit single room occupancy development.

The Task Force for Historic Preservation and the Minority Community: The task force was established in 1981 to act as a clearinghouse of information for programs being developed by minority organizations across the country that effectively address problems impacting inner city neighborhoods. It has sponsored a variety of workshops and assisted over 125 organizations in obtaining information on housing and community development. In 1985, the Task Force undertook its first housing development, Preservation One, the rehabilitation of seven apartments in the Jackson Ward neighborhood. Since then, the organization has rehabilitated over 60 additional rental and homeownership units. It has acquired, rehabilitated and sold an additional 10 HUD properties.

Low-Income Housing Conditions

From 1970 to 1990, Richmond's population declined by 18.5 percent, or nearly 50,000 people. This loss has resulted in over 8,800 vacant properties. However, according to the city's CHAS, the availability of affordable housing for very-low to low-income families has also declined for several reasons: 1) family income has not risen to meet escalating housing costs; 2) the number of affordable units has decreased rather than increased; and 3) middle-income households have left the city, leaving behind those that are least able to afford housing. The number of households earning below 80 percent of the area's median income grew from 45 percent to 60 percent. Twenty-two thousand households earn less than 50 percent of median income; 15,000 earn between 50 and 80 percent of median. Female headed households account for nearly 70 percent of the very low-income, and 58 percent of all low-income households.

Richmond's housing stock is largely single-family--about 60 percent. However, only 42 percent of all units are owner occupied. Substandard housing units are estimated at more than 12,000, or 13 percent of the total. The most prevalent problem in substandard units is lack of adequate heating systems, accounting for 28 percent of the substandard units.

The phenomena of population loss and substandard and demolished housing are concentrated in low-income neighborhoods. Sixty-nine percent of the population loss occurred in the city's East End and Near West districts. The East End also has the highest concentration of substandard housing units. The majority of the units demolished were also in these older center city areas.

The cost of building and renovating housing in Richmond falls into a moderate range relative to other areas of the country. Single-family rehabilitations by CDCs can be as low as $29,000, but average in the low $50,000 range. New construction is in the $60,000 to $68,000 range. The vast majority of homes developed by CDCs have been between $50,000 and $60,000.

Community Approach to Low-Income Housing

CDCs are a recent development in Richmond's approach to low-income housing. Prior to 1990, only one community-based organization that began in 1985 was developing housing. Since 1990, Richmond LISC has supported nine CDCs involved in housing development. These organizations emerged as housing developers in response to several factors: the sharp decline in homeownership in their neighborhoods spurred by increased flight to the suburbs; establishment of Richmond LISC and other supporters of community based development; and an increasing recognition by community leaders of the potential of CDCs.

Prior to the emergence of CDCs, the community's primary approach to affordable housing, other than public housing, was bond and Section 8 financing of housing developments by private developers. Most of the developments done were not in the more distressed neighborhoods now being served by CDCs.

Since the emergence of these CDCs, the establishment of Richmond LISC and the Public-Private Partnership Project, significant resources, from within and outside the community, have been channeled into CDC housing development in Richmond's more depressed neighborhoods. Existing resources are now targeted toward CDC development, reflecting a shift in priorities toward community-based development. In addition, valuable new resources have been raised to enhance the CDC efforts. Since the Partnership started, the Richmond community has targeted more existing and new resources toward strategies designed to revitalize the city's more deteriorated neighborhoods. Examples of these are detailed in the Accomplishments of Partnership section below.

Role of Partnership

Partnership participants have played various roles in: garnering resources for affordable housing; building capacity of CDCs; planning housing and neighborhood development; providing project financing; developing housing; and providing needed ancillary services and capital improvements. At the core of the partnership are the CDCs who serve as the community based developers of affordable housing. Around these CDCs is a network of financial and technical assistance providers.

Basic to the success of these activities is adequate core operating support for the CDCs. Operating support in Richmond is provided by Richmond LISC and the City of Richmond's Department of Community Development. Once qualified staff are hired by the CDCs, training is provided to build the capacity of that staff and the organizations' boards to undertake housing development. Neighborhood strategic plans are completed by the CDCs with assistance from LISC. These plans help to integrate proposed housing development with a strategy for revitalizing the neighborhood in a manner consistent with the city's overall CHAS. To assist in the initial stages of development, predevelopment grants and financing are provided by LISC to CDCs for: site control, preliminary architecture and engineering; and preliminary financial packaging and legal work. Construction financing is provided by private lenders. Down payment and closing assistance is provided by the Home Improvement Industry Coalition managed by LISC. Equity for rental housing is provided by LISC's National Equity Fund. Permanent financing is provided by private lenders and the Virginia Housing Development Authority. Housing counseling to prospective homebuyers is provided by Housing Opportunities Made Equal. Capital improvements for housing subdivisions are financed by the City of Richmond.

Accomplishments of the Partnership

Partnership efforts have resulted in both tangible and intangible accomplishments. There are increased resources from the public and private sectors. Investments of these resources are better coordinated. Public policy is more increasingly driven by neighborhood needs. CDC capacity to develop affordable housing has been increased. Affordable housing production in low-income neighborhoods is on the rise.

Six CDCs have received $200,000 in core operating support from Richmond LISC, and $320,000 in 1993 CDBG funds from the City of Richmond's Department of Community Development. In five of these CDCs, staff hired with these grants are their first full-time paid staff. There has been a significant increase in the city's CDBG support for CDCs since the inception of Partnership activities. In 1993, CDCs received over $800,000 in CDBG commitments for both operating and project support. This is a dramatic increase over the 1992 allocation of $350,000 and the 1991 allocation of $115,000. Also, Richmond has been selected by HUD to participate in its program for discounted sales of HUD properties to nonprofits.

Richmond was one of two cities of LISC's 10 HUD Public-Private Partnership Project cities to be selected to participate in a Project Development Program, a real estate development training program. LISC subcontracted with the Development Training Institute to provide lead trainers and materials. CDC travel and accommodations were funded by Richmond LISC. Four, two and one-half day sessions were held for 14 participants from CDCs, the City of Richmond and private lenders. A combination of classroom and small group training was provided. Trainers included visiting professionals from various aspects of the development field. The sessions were held jointly with trainees from Toledo, Ohio. This allowed an opportunity for practitioners from each city to intermingle and learn from their counterparts in another city as well as colleagues from their own city.

Under the Public-Private Partnership Project, LISC also subcontracted with the Kansas City Neighborhood Alliance, an experienced local intermediary and housing developer, to provide training on the various elements needed to establish a homeowner production system and how to put them into place. LISC and its National Equity Fund provided training covering the federal Low-Income Housing Tax Credit and rental housing property management. In addition, Richmond LISC provided training to eight CDCs in board development, strategic planning, fiscal management, fund raising, real estate development, and property management.

Two CDCs have completed neighborhood strategic plans for the neighborhoods they serve. These plans inventory a targeted area within the neighborhood, identify vacant lots, and abandoned and substandard properties. They prioritize and focus development activities based on need. They also identify the financing resources to implement the proposed developments.

One million dollars in acquisition and construction financing has been made available by NationsBank. Richmond LISC has provided $150,000 in predevelopment financing to six CDCs. Crestar, Signet and Central Fidelity Banks have provided $1.9 million in construction financing. The Home Improvement Industry Coalition and Signet Bank have provided $127,000 for down payment and closing cost assistance. The city, through its Down Payment Assistance Program, has provided $95,000. Permanent financing of $2,800,000 has been loaned by NationsBank, Virginia Federal, Signet, Crestar Banks, and the Virginia Housing Development Authority.

Richmond LISC has received a set-aside of $3.7 million from the Virginia Department of Housing and Community Development and the Virginia Housing Development Authority for financing for approximately 60 families purchasing CDC developed homes. The set aside includes $1.3 million in 5 percent, 30-year mortgages; $1.3 million in 3 percent, 15-year mortgages; and $1.1 million in HOME funds for deferred second mortgages. With this financing, families earning as low as $14,000 annually will be able to buy and own their own homes.

Since the beginning of the Public-Private Partnership project, CDCs have produced over 138 units of affordable housing with an additional 200 units in various stages of development. Projects include:

- Rehabilitation of 18 affordable single-family homes in Church Hill for first time home buyers by Interfaith Housing Corporation and Church Hill Neighborhood, Inc.

- Rehabilitation of seven single-family homes by Oregon Hill Home Improvement Council.

- Substantial rehabilitation by SRO Housing of Richmond of the New Clay House, a 47-unit single-room-occupancy facility for the homeless.

- Construction of 30 affordable single-family homes for first-time home buyers in Bainbridge and East Swansboro by the Southside Community Development & Housing Corporation.

- Rehabilitation of 28 apartments on the 600 block of North 32nd Street, one of the most blighted blocks in the Church Hill neighborhood, by the Task Force for Historic Preservation and the Minority Community.

Lessons Learned

Richmond offers several lessons about building public-private partnerships to support CDC affordable housing development.

1. Develop neighborhood revitalization strategies to guide affordable housing and other development. The development of a strategy takes time, but it helps to focus efforts and set priorities. Those CDCs that develop strategies are in a better position to articulate clear goals, decide how to accomplish them, secure the resources to implement them and achieve greater revitalization impact.

2. Don't be afraid to start small. The CDCs in Richmond started with small developments, sometimes a single house. A modest start allows an opportunity to test the market for the type of housing being developed. This is especially true for homeownership housing. These CDCs are developing the first new construction in 50 years in their neighborhoods and it would be a mistake to build too many units without testing the market.

3. Structure your financing so that you can reach a wide market. Facing an untested market, the CDCs in Richmond had to structure financing that would not lock them into a narrow income range. Their projects can serve families earning as low as $16,000 per year, but their financing options allow them to serve higher income families as well.

4. Be sure that all the necessary resources are assembled up front. All the partnership relationships need to be developed so that the necessary funding is available throughout the development process. If project financing is available without core operating support, the CDCs won't have the staff capacity to effectively use the financing. If predevelopment funds aren't available, projects will languish in the conceptual phase. Early in the partnership, project financing was available, but CDCs did not have access to adequate core operating support. A number of CDCs were bringing their first executive director on board. There simply wasn't sufficient staff capacity to take advantage of the available project financing. LISC and the city began providing higher levels of core support funding. Partnership

members in Richmond came together to each pick up a piece of the financing puzzle: core operating support, training and technical assistance, predevelopment funding, construction and permanent financing, and home buyer counseling.

SANTA FE, NM

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
55,859	12%	82%	.4%	48%	22,783	36,520	20%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
8%	$793	$496	12%	20%	55%	37%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
53%	51%	41%	25%

* See Description of Terms

Partnership Description

The Santa Fe Affordable Housing Roundtable was established in February 1992 as a new housing coalition that includes city and county government of Santa Fe, NM, and nonprofit housing providers. Roundtable members work together to: 1) plan new public and private affordable housing activities in Santa Fe County, 2) increase funding, 3) cooperate on implementing projects, and 4) advocate with local and state government for affordable housing projects and new funding programs.

The Roundtable formed at a period in which there was a sense of crisis among many citizens and elected officials in Santa Fe. As a result of booming tourism and an influx of higher-income retirees and second-home owners, Santa Fe in the late 1980s and early 1990s has been experiencing rapidly rising housing costs and displacement of indigenous, low-income families.

A United Way needs assessment in 1992 identified affordable housing as the number one community need. Yet no-growth sentiments have made affordable housing development very difficult.

Community leaders were also concerned about increasing social divisions between rich and poor, and ethnic tensions between Anglos and Hispanics in this traditionally Hispanic city.

Needs for affordable housing had been documented several times since 1980 by the city government, but little or no progress was made in addressing the problems through city-sponsored programs.

In May 1991, prior to the City of Santa Fe's (the City) involvement in the HUD Public-Private Partnership program, The Enterprise Foundation was invited by the city to assess housing problems and propose solutions. The assessment relied on market data, prior housing studies and interviews with public officials, nonprofit providers, lenders, builders, and community leaders.

Two of the key recommendations in Enterprise's assessment were: 1) to develop a strategic housing plan, and 2) create a Public-Private Partnership to implement the plan. The city then requested Enterprise's assistance in achieving these objectives through the HUD Public-Private Partnership program. In September 1991, the request for participation was approved by HUD and the city entered into a technical assistance contract with Enterprise. Between 1991-1993, the city provided $50,000 to fund Enterprise's capacity-building technical assistance for the Partnership, the city and nonprofit housing developers.

The Roundtable was formed as a direct result of the assessment and follow-up actions by Enterprise, the city and local nonprofit housing organizations. As a prelude to the Roundtable's creation, a community-wide strategic planning process was conducted by The Enterprise Foundation, the city and the newly-formed Santa Fe Community Housing Trust (SFCHT).

The strategic planning process took place from September through December 1991. There were 30 participants, including builders, lenders, architects, elected officials, concerned citizens and most predominantly, representatives of nonprofit housing groups and the newly-formed board of directors of SFCHT. There were three planning meetings: the first reviewing the assessment, the second hearing proposals for new activities and the third to review a first draft of the plan written by The Enterprise Foundation.

In between planning meetings, Enterprise staff met with nonprofit groups, potential funders and city officials to help determine the feasibility of proposed new projects. The plan being formed was, in essence, a list of programs and projects with identified sponsors, that were considered doable in a period of two and a half years.

A draft Strategic Housing Plan was completed in January 1992, with two primary results:

- There were now collective goals among nonprofits, local government and the private sector to create 700 affordable housing units over two and a half years, with defined roles for SFCHT.

- There was an agreement among representatives of nonprofit housing groups and the city government to establish the Roundtable to promote and coordinate implementation of the strategic plan.

The Roundtable was organized in February 1992. As a coalition organization, the Roundtable has formal by-laws and monthly meetings. In 1993, the Roundtable took on specific responsibilities to make final decisions (within the limits of written guidelines) on allocation of funds from City and County Housing Trust Funds--so in that sense it is an official entity. However, the Roundtable is not incorporated and has no staff nor its own budget.

Key Players

<u>**City of Santa Fe**</u>--The most critical factor to the success of the Roundtable has been a major increase in the city's commitment to affordable housing. After sponsoring the strategic planning process, the City Council formally adopted the strategic plan in November 1992. In the year prior to that, the city had greatly increased the resources available for affordable housing activities and continues to do so. The city has:

- Assisted nonprofits in obtaining HOME funds from the state (Santa Fe is not a HOME entitlement city).

- Facilitated the creation in January 1993 of the Santa Fe Housing Trust Fund, initially capitalized with $225,000, with another $1 million pledged and opportunities for many more future infusions of capital. Funds come from developers of higher-end residential developments who, as part of rezonings or annexations, have pledged contributions to affordable housing. Because of restrictions in the state constitution, funds do not flow through local government, which stays at arms length from the transactions. The local government accepts the offer of a contribution as a condition of an annexation or rezoning. The Roundtable takes proposals and makes allocations, and SFCHT performs fiduciary and administrative functions.

- Provided Community Development Block Grant (CDBG) and general funds for nonprofits' projects and operations. Since the formation of the Roundtable in 1992, the city has earmarked over $1 million in CDBG funds and over $300,000 in general funds for nonprofit housing activities. By comparison, in 1990, almost no city funds were budgeted for housing.

- Leased city-owned lots in 1993 with no cash costs to the nonprofits or their clients (the state constitution prevents outright donations of city property).

- In 1992, purchased the 850-acre Tierra Contenta parcel, on which 3,600 housing units will be developed, with at least 1,400 for-sale and rental units affordable to low-income households. The land will be developed by a new quasi-public nonprofit corporation.

Santa Fe County: Simultaneous with the formation of the city's Housing Trust Fund, the county negotiated a $2 million contribution from a major new residential and golf course development. The county's fund is structured similarly to the city's, and became functional in late 1993. In 1993, it also made its first housing-related application under the Small Cities CDBG program -- for $230,000 for rehab of a women's shelter.

New Mexico State Housing Division (NMSHD): While not a member of the Roundtable, NMSHD provided through the HOME program some of the first subsidy capital for affordable housing projects proposed by Roundtable members. The agency also allocates tax credits and has provided valuable technical assistance to sponsors for use of this resource.

Santa Fe Community Housing Trust (SFCHT): Most financial and administrative functions of the Housing Roundtable are carried out by SFCHT, a separate nonprofit organization that hired its first staff person in April 1992, shortly after the creation of the Housing Roundtable. SFCHT administers the Trust Fund and provides technical assistance to Roundtable members as requested. SFCHT also serves as a pass-through agent for some city-leased land. To conform to state constitutional requirements, SFCHT gives the city services in exchange for $0 leases of land. Separately from the Roundtable (but with the Roundtable's support) SFCHT in late 1993 was building or acquiring for resale 59 affordable homes and condominium units. SFCHT offers training and deferred payment mortgage loans up to $15,000 to first-time home buyers. It also operates a land trust and provides loans for rent deposits.

By late 1993, SFCHT had a staff of five and an annual operating budget of $225,000. Operating funds have come from individual donations, city general funds, foundation grants, grants from local banks and businesses, and limited fees paid by assisted home buyers.

Santa Fe Civic Housing Authority: As compared to any other Roundtable member, this organization had more longevity, respect within the power structure, and connections to the low-income and

Hispanic communities. It gave much-needed legitimacy to the partnership effort, as well as technical support and (in one case) project funding from the housing authority's reserves. Coinciding with the partnership effort, it began planning and implementing major new affordable housing programs of its own.

Other Nonprofit Organizations on the Roundtable: Affordable housing projects are carried out individually and sometimes collaboratively by Roundtable members and members of the affiliated Transitional Housing Coalition. Members involved in acquisition or construction projects include: the Santa Fe Civic Housing Authority, Habitat for Humanity, Neighborhood Housing Services, the Santa Fe Land Trust, Tierra Contenta Corporation, Santa Fe County Housing Authority, St. Elizabeth Shelter and Esperanza (a shelter for abused women and children).

United Way of Santa Fe County: The local United Way director made the original suggestion for formation of the Housing Roundtable and served as its first chairperson. The United Way played a convening role and provides logistical support to the Roundtable.

United Way of America: As a partner with The Enterprise Foundation in forming the local public-private partnership, United Way of America provided technical support to the strategic planning process and operating funds which were passed through the local United Way in 1992 to SFCHT for staff support of initial Roundtable activities.

Purpose

The purpose of the Roundtable is to increase construction and preservation of housing affordable to owner, renter and special needs households with incomes below 80 percent of median income, with an emphasis on helping very low-income households. The Roundtable has not identified geographical target areas, but has a strong interest in preserving affordability in the older, rapidly gentrifying downtown neighborhoods. Activities of Roundtable members include:

- acquisition/rehab
- new construction
- rehabilitation
- homeownership programs
- multifamily rental projects
- supportive rental housing
- technical assistance and operating support to nonprofits

The Housing Roundtable meets monthly to review progress on project development and funding matters. Its most critical functions are:

- planning and executing joint strategies for funding
- allocating funds from the local housing trust funds
- assisting other members on specific projects
- advocating for affordable housing projects

Low-Income Housing Conditions

Santa Fe is a 380-year-old, traditionally Hispanic city that has become a tourism and second-home mecca for the wealthy. Indigenous families are being displaced by the resulting pressure on the housing market and rising housing costs.

In 1993, the median sale price of a home increased at an astounding 40 percent annual rate. The median sale price of a home in late 1993 was $154,000, and the average was $207,000. The average home price is skewed upwards due to the large number of high-end and $1 million-plus homes being sold. Many of the higher-priced homes are very old former family compounds of adobe construction in the older parts of the city.

Families with incomes under 80 percent of median are largely priced out of home-buying. They require homes priced at $95,000 or less, and only a few dozen in that price range are built each year.

There are few opportunities for renters to find affordable housing, although Santa Fe has over 1,200 subsidized rental units. These have long waiting lists. Three quarters of all renters with incomes under $20,000 are paying 35 percent of income or more for rent (not including utilities). Vacancy rates for family-sized three- and four-bedroom units are virtually non existent.

The capacity of homeless shelters is minimally adequate to meet emergency shelter needs. But shelter providers and social services agencies in the Transitional Housing Coalition have identified needs for hundreds of supportive housing units for individuals with mental and physical disabilities.

Low-income homeowners in older parts of the city have great needs for rehabilitation assistance. In some cases, this assistance is critical to avoiding sale of the property to a high income buyer who will restore and improve the home and increase its value two or three times--out of the reach of lower-income families.

Overall, housing conditions call for much more new construction of rental and for-sale housing. Yet rezonings and annexations for higher-density (and thus affordable) new housing are very difficult to obtain. There are three prime reasons: 1) Not-in-My-Backyard (NIMBY), 2) a speculative land market due to high demand, and 3) a difficult and unpredictable development review process.

Community Approach to Low-Income Housing

Until the mid-1980s, all low-income housing was produced under housing authority programs or subsidized private developer programs.

The city and county housing authorities operate about 780 low-rent units and assist nearly 600 more families with HUD rent subsidies. In recent years, no public housing has been built due to high land prices and NIMBY pressures. In the early 1970s several hundred privately owned, HUD subsidized units were built, and in the early 1990s several hundred moderate-priced rental units were built by for-profit entities using the federal Low-Income Housing Tax Credit.

In the early 1980s, the city made an abortive attempt to establish an internal housing department. One single-family home purchase bond was issued, but other goals were not realized and the department was disbanded. From the mid-1980s and until the new public-private partnership began, the city's role was limited to funding Neighborhood Housing Services (NHS) for a few homeowner rehabs each year. Until the partnership was formed, the county government had no role in affordable housing except through its housing authority.

When NHS was formed, it was the only staffed nonprofit housing organization in Santa Fe other than the two housing authorities. In 1990, an unstaffed nonprofit, Santa Fe Land Trust, was formed by a retired home builder. It built 60 homes between 1990 and 1992 on some bargain-priced lots, but in 1993 became virtually inactive due to the lack of affordable land. Despite the name, it is not a land trust - it sold houses outright at below-market prices. Its president, the retired builder, has been a staunch supporter of the Roundtable and has volunteered considerable time to assist other nonprofits.

As a result of the strategic planning process and the formation of the Roundtable, the city and county appear to be committed to a major privatization of housing programs and letting capable nonprofit organizations take the lead. New programs defined in the strategic plan and begun by nonprofits have received enormous support from the community, City Council and the County Commission.

From early 1992 to the end of 1993, Roundtable members had assisted over 120 households and had plans (and in many cases funding) to assist 500 more households.

Prior to formation of the Roundtable, lenders, real estate brokers and developers were little involved in low-income housing activities, except to assist the Santa Fe Land Trust's home construction project and complete two tax credit projects. But as nonprofit housing activities accelerated, the private, for-profit sector gave donations, volunteer time and public support to a half-dozen nonprofits. Apart from their civic interest, for-profit organizations at the end of 1993 were increasingly doing business with nonprofits and proposing new ventures.

Lenders, in particular, have been very receptive to the new nonprofit housing activities, and have been active and flexible in providing financing to nonprofits for development projects and to clients of nonprofits who are buying homes.

As nonprofit activities expanded, many business and community representatives have volunteered to serve on new or expanded boards of directors. The Housing Roundtable has so far been reluctant to add to its formal membership any representatives of for-profit organizations--primarily out of concern for losing focus and having too large a membership to be effective. However, builders, contributors to the trust funds, representatives of the Santa Fe Association of Realtors and other business representatives frequently attend Roundtable meetings as observers and participants in discussions.

Role of Partnership

The Roundtable and SFCHT have quickly become the recognized leaders for low-income housing in Santa Fe County. The city and county have given the Roundtable formal responsibility for allocating trust fund monies. The following are the specific roles of the Roundtable:

1. **Planning and executing joint strategies for funding** -- Roundtable members cooperated on developing a successful joint strategy for applying for over $800,000 in state-distributed HOME funds--the actual applicants were the City, NHS, SFCHT and the Civic Housing Authority. Simultaneously, the Roundtable advocated for the creation of City and County housing trust funds. Since some of the members were not able to use HOME funds (such as Transitional Housing Coalition members and Habitat for Humanity), some city and county trust fund monies were allocated to those groups.

SFCHT and NHS successfully applied to the national Pew Partnership for Civic Change for $400,000 in capacity-building funds, and have applied to a local foundation for a $500,000 line of credit for project pre-development loans. These applications were endorsed by the Roundtable. The capacity building grant will allow SFCHT and NHS to hire project development staff which will be available to assist all Roundtable members. Likewise, the line of credit could benefit any member, so long as they apply along with SFCHT or NHS.

2. **Allocating funds from the local housing trust funds** -- The Roundtable allocated $725,000 in 1993 to four projects.

3. **Assisting other members on specific projects** - For example, SFCHT has helped with financial packaging of projects including the renovation of Esperanza's Shelter (funded in 1993 with Small Cities CDBG funds applied for by the County), St. Elizabeth's Shelter's apartment acquisition (completed) and the packaging of the Civic Housing Authority's tax credit project (conceived in 1993 but still in planning). SFCHT in 1993 agreed to provide leased land from the City to Habitat for Humanity for home construction.

NHS has provided assistance with construction to several projects besides its own. The Santa Fe Civic Housing Authority in 1993 lent some of its excess reserve funds to the Community's Housing Trust's subdivision. And the affiliated Transitional Housing Coalition began working together in late 1993 to package new construction of supportive housing.

4. **Advocating for affordable housing projects** -- In Santa Fe, many projects are stopped by the NIMBY syndrome. In one case, a for-profit developer proposed an affordable housing project which appeared doomed due to neighborhood opposition. The Roundtable formally endorsed the project and a Roundtable representative spoke in favor of it at a public hearing. That action appeared to sway the City Council, which then kept the project alive.

Partnership Accomplishments

Following are accomplishments of Roundtable members since its beginning in early 1992 through the end of 1993:

Financing -- Partnership members have collectively been allocated:

- $1.2 million from local trust funds
- $716,000 in state HOME funds
- $994,000 in CDBG funds
- $75,000 from the Federal Home Loan Bank Board
- $500,000 from a PHA bond refinancing, a $160,000 HOPE 1 planning grant
- $300,000 from the local McKune Foundation
- $60,000 in loan funds from The Enterprise Foundation
- $400,000 in capacity building from Pew Partnership for civic change

Over $6.4 million in mortgage financing has been committed or spent. The city has donated six house lots. Another $2.8 million in subsidy funds has been applied for.

Production -- The partnership has helped low-income households in these areas:

- 43 homeowner rehabs
- 6 homes built and sold
- over 600 prospective home buyers trained
- eighteen families received home purchase subsidies
- 9 units acquired and now operated for special needs housing
- over 30 renters loaned deposit money
- 8 families receive rental assistance

In process at the end of 1993 were: rehab of a 25-bed domestic violence shelter, a 12-unit subdivision, a 13-unit self-help construction project, a 32-unit acquisition for special needs housing, sale of 25 public housing units to tenants, a 45-unit Resolution Trust Corporation acquisition for resale, and a 150-unit rental tax credit project.

About 40 percent of the financial assistance has gone to households with incomes below 30 percent of median income. Nearly 70 percent has gone to households with incomes below 50 percent of median income. All of the assistance described above has gone to households with incomes under 80 percent of median income. A few moderate income families have benefitted from SFCHT's and NHS's home buyer training.

Through joint efforts of the Roundtable members, the city, The Enterprise Foundation and private sector donors, the capacity of many Roundtable members has been increased. SFCHT, unstaffed when the Roundtable was formed in early 1992, now has a staff of seven. In 1993, NHS added two staff members and Habitat for Humanity hired a new paid coordinator. All added staff has contributed to the new production described above. The Pew grant described above will add one more staff member apiece to SFCHT and NHS.

A major factor has been the city's willingness to use general funds to pay for expanded operations of SFCHT and NHS. SFCHT and NHS have also been helped by the HUD Public-Private Partnership program and a subsequent HUD/Enterprise program that provided pass-through capacity building grants.

SFCHT, NHS, Habitat for Humanity and the Civic Housing Authority have all benefitted from new private grants in 1992 and 1993 to support their expanded operations. Sources have included donations from individuals and businesses (especially lenders) and a local foundation. United Way of America funds, passed through the local United Way, gave SFCHT critical start-up funding in mid-1992, a time when demands from the Roundtable were large and SFCHT had only one staff person. The grant enabled the hiring of an additional staff person. Staff members of SFCHT, NHS and Tierra Contenta Corporation (TCC) have benefitted from regional technical training sessions offered by The Enterprise Foundation through the HUD Public-Private Partnership program. SFCHT staff received training on home ownership programs, NHS staff in construction management, and TCC staff in business planning.

Much of the Enterprise Foundation's efforts in Santa Fe have involved capacity building. This is described below.

Systems change -- Since the formation of the partnership, the following new systems have been put in place:

- The formation of the Roundtable as a well-functioning coalition.

- The organization of the Transitional Housing Coalition, created in early 1992 as an offshoot of the Roundtable, the first formal cooperative effort in Santa Fe for special needs housing.

- The creation of the SFCHT as a staffed organization in early 1992 to fill voids in the affordable housing financing and delivery systems.

- The creation of city and county housing trust funds in 1993.

- The establishment of a NHS down payment assistance program in 1992.

- The establishment of the Community Housing Trust second mortgage subsidy program for home purchasers in 1993.

- The creation of home buyer training programs by SFCHT and NHS in 1993. The programs had over 600 participants in 1993 and represented the first such effort in the city. Over 50 participants have purchased homes against formidable odds, often using family money to supplement subsidies from the nonprofits, and some not needing or using the subsidies (and thus not counted under production).

- The city's creation of the Tierra Contenta Corporation in 1992 as a quasi-public vehicle to provide low-cost land. A tract of 850 acres has been purchased; over 1,400 units are planned that will be affordable to low-income households.

- The procurement of the city's first $0 leases, on lots for housing development (not used as of late 1993).

- The creation in late 1993 (by Habitat for Humanity and SFCHT) of land trusts to ensure permanent affordability. At that time, no homes were actually in land trusts, but four were under development. In both cases, public or private grants (or city $0 lease lots) will write down the land cost to nothing. Home buyers will buy the home and lease the lot for $0 or a nominal payment, in exchange for substantial controls on the appreciated equity they can receive upon their resale of the home.

Role of the Intermediary

The Enterprise Foundation's technical assistance under the HUD Public-Private Partnership program is credited by the city as being the catalyst that created the Strategic Housing Plan for Santa Fe and the Santa Fe Affordable Housing Roundtable.

In addition to facilitating the strategic planning process, Enterprise has played a number of other roles in helping to finance and implement new affordable housing activities called for in the strategic plan. Enterprise helped to structure the City Affordable Housing Trust Fund, advised on HOME applications, advised on the structure of the Tierra Contenta purchase, and assisted with several successful funding applications for specific projects.

Enterprise was also asked by the city to work intensively to build the capacity of SFCHT. Enterprise assisted with developing a business plan, hiring and training initial staff, creating a home ownership training program, advising on development projects, and helping with funding applications. Enterprise also lent $59,278 to SFCHT's first development project, a 12-unit subdivision.

After the HUD Public-Private Partnership program funds were expended in June 1993, Enterprise continued its work with Roundtable members through local funding from the city and the Civic Housing Authority, as well as additional funding from HUD's technical assistance program for Community Housing Development Organizations (CHDOs).

In 1993, Enterprise committed $116,588 to two Santa Fe nonprofit housing developers under the HOME Technical Assistance to CHDOs Program. These funds may be used for operational support and/or the cost of Enterprise technical assistance for housing development, management and homeowner education. The two nonprofits are: Santa Fe Community Housing Trust ($89,814) and Neighborhood Housing Services of Santa Fe ($26,774). Enterprise also helped to develop the successful application for the $400,000 Pew Partnership grant.

Elements Critical to Success

There were six elements critical to the establishment of the partnership and its on-going success:

- The city's and Civic Housing Authority's encouragement and endorsement of the partnership-building process from the beginning.
- The willingness of local nonprofit housing organizations to cooperate with each other and create a larger vision of what could happen.
- The skills of directors/coordinators of the nonprofits in quickly implementing new projects and hiring skilled staff.
- The availability of reasonably predictable, on-going sources of project subsidy from the city Trust Fund, the county Trust Fund, CDBG funds, and the state HOME program.
- The availability of expanded sources of operating funds for nonprofits from the city, HUD and private-sector sources.
- The presence of an outside intermediary to help with strategic planning, organizing the partnership, obtaining funding and providing technical assistance and training to the nonprofit organizations.

Partnership Problems

The most daunting problem faced by the Roundtable initially was to gain public and official acceptance of an ambitious plan for expanded activities. This was overcome by creating coordinated and practical plans for projects, having steady support from city and Housing Authority staff, and engaging in a political process of seeking City Council approval for the strategic plan. The plan itself was widely distributed and was an effective tool in gaining legitimacy.

Delays in receiving subsidy and operating funds for expanded operations was another initial problem. For example, in the strategic plan, the HOME program administered by NMSHD was identified as a major resource for added production. In early 1992, it was known that NMSHD would allocate some HOME funds to Santa Fe, and funds technically could have been available in July 1992. However, it was not until late in 1993 that the funding and contracting processes were completed--seriously delaying implementation.

Most of the HOME funds have four layers of administration: HUD, NMSHD, the city and the nonprofit organization using the funds. This, and the fact that it was a new program with some rules less than clear, complicated the allocation, contracting and disbursement processes. However, in spite of these initial delays, nearly $275,000 of the original grant of $316,000 had been expended by the end of 1993. Eight homeless families are receiving monthly rental assistance; 19 families received deferred-loan soft second mortgages and two very low-income single mothers have like-new houses.

Similar but less severe problems occurred with the housing trust funds. For example, there was a six- to nine- month lag between the creation of the city and county trust funds and funding of projects. Most of the problems have been overcome. The major effect was to keep a number of qualified home buyers waiting for financial assistance. Some lost contracts on homes while waiting. However, no construction projects were held up. The major issues were merely logistical--simply working out contracts and procedures.

Concerns over turf has been another problem. Four Roundtable members offer separate but somewhat different programs for financing or selling homes to first-time home buyers. At various times, there have been conflicts over possible duplication of programs and competition for available funds. These conflicts have been mostly overcome by steady maintenance of personal and professional relationships, but at times the problems have threatened the stability of the Roundtable.

A major challenge since the beginning of the Roundtable has been the availability of suitable and affordable land for development. The city and the nonprofits were overly optimistic about using their public and nonprofit status to get special deals on land. This assumption has created many false starts. To date, the lesson learned is that in an overheated market, nonprofits generally have to pay full market value for land and subsidize the end users through other means.

Very little land is presently zoned for the moderate to higher densities (7 to 15 units per acre) needed to make affordable housing feasible. Rezonings are mostly ad hoc, and often not in accordance with any coherent and generally accepted long-range plans of the city or county. Subsequently they are time-consuming, difficult to obtain, unpredictable, and when approved, often subject to conditions that go beyond the codes.

However, the formation of the Tierra Contenta Corporation to provide discounted land for over 1,400 low-income housing units is a major step in overcoming these problems. Through low-cost public financing of the land--and cross-subsidy of more expensive sites to less expensive ones--there will be two significant results. One, land will be available for low-cost housing. Two, land prices will be discounted from $5,000 to $10,000 for each for-sale unit, and about $3,000 for each rental unit.

While local home builders have been forthcoming in giving volunteer time to nonprofit housing groups, only two or three at any given time are actually engaged in construction of affordable housing. Much of the existing subsidized rental housing has been built by highly specialized out-of-town firms. Most local builders are interested only in building homes priced at $120,000 or more. To them, this is simply more profitable given high land costs and the difficulty, expense and unpredictability of obtaining development approvals.

Also, all but one or two of Santa Fe's builders today can fairly be classified as custom builders and not production builders who obtain economies by building fairly standardized, modest housing in large volumes. The lowest local construction prices appear to be about $55 per square foot, as opposed to $40 to $45 in nearby markets.

In summary, the two most difficult problems for the partnership are: 1) the lack of buildable land, and 2) the scarcity of local home builders and other contractors able to produce affordable housing. While nonprofits are beginning to play the role of home builder of last resort, they still come up against these two major problems.

Given the lack of affordable housing activity by for-profit builders, nonprofits set high goals for their own entry into the development business. This entry has been slow and difficult, not only because of market conditions, but because of the nonprofits' lack of staff time and experience in development. Enterprise helped to some extent by lending development expertise. Local staff members gained expertise. And most importantly perhaps, funding became available in late 1993 from the Pew Foundation and local sources for new staff dedicated to development tasks.

As these other major problems are resolved at least in part, the final problem to be confronted by the partnership will be the limited availability of soft financing. Needs will fall in two areas: 1) high-risk predevelopment financing for options, engineering, etc., and 2) subsidies for permanent financing. In answer to the first need, SFCHT and NHS have requested from a local foundation a revolving $750,000 line of credit for predevelopment expenses that could never be financed by conventional lenders. In the second area of project subsidies, which require much more capital and revolve much more slowly, the local housing trust funds are a critical resource. A tax on transfers of high-end real estate to be dedicated to affordable housing financing is another possible answer that has been proposed in the state legislature and is gaining some support. But insufficient housing subsidies could continue to be the major limiting factor in maintaining cultural and economic diversity in this ancient but rapidly developing city.

TOPEKA, KS

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
119,883	1%	85%	11%	5%	$26,774	$32,758	18%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
9%	$584	$380	12%	31%	56%	36%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
55%	53%	44%	29%

* See Description of Terms

Partnership Description

The Topeka Housing Partnership (THP) was incorporated as a nonprofit in the summer of 1992 culminating a two-year strategic planning process in Topeka, KS. The City of Topeka contracted with The Enterprise Foundation to conduct a housing needs assessment of Topeka in September of 1990. Presentation of the assessment's results and suggested solutions at a "town meeting" in November 1990 helped launch a strategic planning effort.

An all-day town meeting was held subsequent to a keynote address to community leaders by James Rouse, founder-chairman of Enterprise. The meeting attracted nearly three hundred participants from a broad array of institutions and organizations including: the mayor of Topeka and many department heads; city council members; state of Kansas officials and representatives; CEOs and other personnel from Topeka's major lending institutions; numerous neighborhood and nonprofit leaders; representatives of the United Way and social services agencies; and many additional corporate leaders. The gathering provided momentum and support for actions recommended in the Enterprise report.

The most concrete result of the report was the creation of a blue ribbon citizens group to conduct a strategic planning process that would provide specific solutions to Topeka's housing problems based on the recommendations in the report. In January of 1991, the mayor and City Council created the Mayor's Commission on Affordable Housing. Among those appointed included many of the attendees of the town meeting.

Enterprise's initial contract was expanded through the HUD Public-Private Partnership (PPP) effort to work with the Mayor's Commission in formulating a plan of action and assisting in its implementation. By December 1991 an action plan was presented to the City Council for approval and funding.

Once the City Council approved the use of city resources in January of 1992, implementation of the strategic plan began, which included continuation of the Mayor's Commission on Affordable Housing as the basis on which to create an independent, nonprofit organization called the Topeka

Housing Partnership. The Partnership was established to guide and support the implementation of several new housing initiatives.

The HUD Public-Private Partnership contract enabled Enterprise and Topeka's Department of Community and Economic Development to build a foundation for expanded production of low-income housing in Topeka. Under this contract, programs for homeownership, lease-purchase and rental housing were established, and nonprofit organizations created to implement those programs. This gave Topeka the ability to use HOME funds quickly and effectively. (Topeka was one of the first Participating Jurisdictions to use all of its 1992 allocation, mostly through Topeka City Homes).

Key Players

Many organization and corporate partners played important roles in the planning and implementation process. Their representatives formed the membership for the Mayor's Commission of Affordable Housing and the Topeka Housing Partnership. They include:

The City of Topeka: The mayor, Harry "Butch" Felker, and the City Council provided official sanctioning of a citizens' group to lead the city's new housing efforts. The city committed use of its own funds through the Capital Improvement Program (general obligation bonds) funds and a significant portion of its housing entitlement dollars to the new initiatives. The director of the Department of Community and Economic Development, Al Bailey, was the major public sector point person providing continued guidance, support and funds. In addition to HUD's Public-Private Partnership support, the city provided $20,000 to fund Enterprise's capacity building technical assistance for the Partnership, the city, and nonprofit housing developers.

The Department of Community and Economic Development (DCED) is also one of the partners in the Topeka Housing Partnership's Topeka Opportunity to Own (TOTO) first time homeownership program. DCED is responsible for the implementation and administration of the rehabilitation component of the TOTO program. Staff, provided by DCED, prepare rehabilitation specifications, oversee rehabilitation work, and originate "soft" second mortgages for the TOTO properties.

Lending Institutions: Ten lending institutions collectively pledged $9 million in financing and operating grants for the various housing initiatives. Lender involvement added initial credibility to the strategic plan presented to the City Council. The pledges were later translated into firm commitments for the various types of financing needed for each housing initiative. Besides financing and grant support, lenders provided active leadership in each of the initiatives (TOTO, Cornerstone's Lease Purchase and transitional housing programs, and Topeka City Homes).

United Way of Greater Topeka: From the very beginning the United Way added its leadership to raising housing as a major community issue based on information received in its own survey of community problems. The United Way provides core operating support for the Partnership and provides office space and clerical back-up support. The local United Way was able to attract additional funds from United Way of America for use by the Partnership. The United Way also houses and provides support for the Topeka Community Foundation which, in turn, provided funds for the town meeting and initial seed funds for a housing data report which complemented the Enterprise report.

Housing and Credit Counseling, Inc (HCCI): HCCI provided leadership and staff support for various efforts leading up to the town meeting. In addition, HCCI is another partner in the TOTO homeownership program by providing counseling, marketing and coordination.

The Homeless Task Force: Advocates forming the Homeless Task Force were the catalyst for raising housing as a major community issue and putting the initial housing assessment and strategic planning process in motion.

Neighborhood Improvement Associations (NIAs): Leaders from a well organized system of neighborhood organizations in each of the city's 14 community development program target neighborhoods form a critical link in insuring that the housing efforts reflect the needs of residents.

Local Nonprofit Housing Organizations: Three nonprofit housing producers, Cornerstone of Topeka, Habitat for Humanity, and Contemporary Housing Alternatives of Topeka, Inc. were active in Topeka prior to the PPP contract. The three continue to be important housing producers.

Purpose

Once the strategic planning was completed, the Mayor's Commission on Affordable Housing was charged with selecting the Board of the Partnership (which was initially its executive committee). To assure accountability of the Partnership, the Commission reviews progress being made on implementation of the strategic plan and updates the plan.

According to THP's mission statement, the Partnership is to oversee and manage the implementation of the strategic plan by coordinating the activities and resources of the various "partners" (Department of Community and Economic Development, lenders, nonprofits, neighborhood groups, developers/builders, The Enterprise Foundation, and others).

A 10-year goal of achieving 3,500 physically fit and affordable units was set. A less ambitious three-year start-up goal of 566 units was formulated to phase-in full production.

Low-income Housing Conditions

As the capital of Kansas, Topeka's economy is highly influenced by the government sector. As a result, such economic factors as employment, income, and the housing market, tend to be stable and do not suffer cyclical economic swings. Topeka's median income is higher than the state average and its housing costs are generally lower than those in cities of comparable size.

While these factors suggest favorable housing conditions and manageable problems, information collected in 1990 identified serious housing problems:

- More than one out of ten Topeka households, or nearly 5,000 Topeka low-income renters, were paying more than the acceptable standard of 30 percent of gross monthly income for housing costs.

- Nearly one out of seven housing units (almost 7,000) are considered substandard. Most are occupied by low-income renters, and some by homeowners, while others are vacant.

- Local estimates find that between 700 and 1,300 persons are homeless at any one time.

Census data from 1990 and recent surveys indicate that housing trends and conditions are getting worse. In addition, current high rental vacancy rates indicate that, while sufficient housing units may exist, affordability and quality of housing are problematic.

Strategies

The housing conditions in Topeka suggested a strategy that focused mainly on upgrading existing housing stock. Addressing substandard houses scattered throughout a neighborhood also contributes to neighborhood revitalization, an issue as important to neighborhood leaders as the issue of affordable housing. Providing both a balance of homeownership and rental opportunities was also required to honor neighborhood revitalization goals. Topeka's relatively low construction costs afforded the opportunity for in-fill construction, which also contributes to neighborhood revitalization. Mobilizing a new nonprofit production system and new resources were necessary to acquire and rehabilitate substandard housing, which consisted almost entirely of scattered site one-to-four unit dwellings. Three initiatives address large segments of housing needs.

- <u>Homeownership: Acquisition/Rehabilitation, First Time Home Buyers</u>
  The Department of Community and Economic Development (DCED), four lenders (Bank IV, Commerce, Capitol Federal, and Merchants; two other lenders joined later), and Housing and Credit Counseling, Inc. (HCCI) are the three operating partners for the Topeka Housing Partnership's TOTO program. HCCI screens, trains, and counsels prospective buyers, and assists in marketing the program. On a rotating basis, each of the four lenders underwrite a first mortgage for up to 80 percent of the acquisition and rehabilitation costs. DCED processes a subsidized non amortizing second mortgage and provides rehabilitation services. Target population: below 60 percent of median.

- <u>Lease-Purchase: Acquisition/Rehabilitation</u>
  Cornerstone of Topeka, with subsidy financing from DCED, acquires and rehabilitates single family houses for families who are not quite ready for direct homeownership. Initially, Merchants Bank provided a line of credit and semi-permanent five-year loans. Families purchase under a contract for deed and are expected to assume title in two to five years. Target population: below 60 percent of median.

- <u>Scattered Site Rental Housing</u>
  A new nonprofit organization called Topeka City Homes was created to acquire, rehabilitate, and manage scattered site rental units in mostly one-to-four unit buildings. A working capital grant of $200,000 in CDBG funds, acquisition/permanent financing from Bank IV, and city and state HOME funds make it possible to acquire and rehabilitate units affordable to families with incomes of below 65 percent of median without Section 8 or other operating subsidies.

Other initiatives addressed special needs housing, in-fill new construction, and continuing DCED's homeowner and rental rehabilitation programs.

Community Approach to Low-Income Housing

DCED efficiently managed homeowner and rental rehabilitation programs, a homesteading program, and a for-sale new subdivision program. An average of about 50 rehabilitations a year for both homeowners and renters was achieved, excluding emergency repairs. DCED also had responsibility for overseeing the Public Housing Authority, which manages 722 public housing units and 651 Section 8 certificates.

Because of relatively low land and construction costs, private developers were able to build apartment complexes using the Low-Income Housing Tax Credit and conventional debt in developing areas of the city and charge rents affordable to some families below 60 percent of median. Two such deals have been done to date, using first mortgages from Bank IV.

Several nonprofit housing organization have been active in housing production:

- Cornerstone of Topeka provides seven units of transitional housing for homeless families. After experimenting with one lease-purchase house, Cornerstone expanded its capacity to develop 10 homes for lease-purchase annually.

- Habitat for Humanity constructs about two new houses a year for homeownership by very low-income buyers.

- Contemporary Housing Alternatives of Topeka, Inc. (CHA) continues to develop special needs housing. Most recently, CHA developed two group residences which will accommodate 24 persons with Alzheimer's Disease. CHA also joint ventured with the Community Housing Resource Board to develop Section 202 housing for the elderly.

Role of Partnership

The Mayor's Commission on Affordable Housing and its administrative arm, the Topeka Housing Partnership, has a major role of providing the community and political support and leadership to create new housing production mechanisms, and to redirect and expand public and private resources in support of those mechanisms. Once the three new major housing initiatives were launched, the role of the Partnership evolved to coordinate the work of the various programs and seek the resources needed to expand production. Later the responsibility for recommending the allocations of public funds for the various initiatives was added.

Partnership Accomplishments

Funding Commitments and Expenditures for Projects

CIP — The City of Topeka has committed for the first time a portion of its Capital Improvement Program (CIP, funded through general obligation bonds) funds for housing: $500,000 in 1992, $250,000 in 1993, and $250,000 for 1994.

CDBG — One third or $500,000 of Topeka's CDBG allocation goes toward nonprofit projects each year.

HOME — All of the city's HOME entitlement (including augmentation from the State of Kansas) goes for housing production by nonprofits, mainly Topeka City Homes. In the first year $750,000 was allocated, while $399,000 was allocated in the second.

HOPE III — The city was awarded two HOPE III allocations totalling approximately $500,000, which will help finance over 50 first-time homeowners under the TOTO program.

AHP — The city was awarded $150,000 in Affordable Housing Program funds from the Federal Home Loan Bank of Topeka for TOTO. These funds were used to provide soft second mortgages to enhance affordability. A second application will be submitted.

Mortgages — Four lenders initially committed $5 million in portfolio mortgages for the TOTO program on special flexible terms (points and fees were waived).

Multifamily — Bank IV provided an initial $500,000 in acquisition/permanent financing for Topeka City Homes at a fixed rate for 25 years.

Lease Purchase — Merchants Bank has taken the lead in providing semi-permanent financing for Cornerstone's lease-purchase program.

Funding Commitments and Expenditures for Operations

CDBG — Annual operating grants were provided to Cornerstone ($50,000), HCCI ($25,000), and THP ($25,000). An initial working capital grant of $200,000 was provided to TCH. A pool of $20,000 was made available to the city's 14 voluntary, non-staffed, neighborhood improvement associations.

United Way — A five-year commitment of $5,000 per year in grants and $9,000 in in-kind services (office space, equipment, office support, etc.) to THP is in effect. The United Way also brokered a $10,000 grant from the United Way of America and an additional $15,000 from The Enterprise Foundation under HUD PPP contract for THP.

Lenders — Small grants for operating support for the intake, counseling, and training components of the TOTO program - about $15,000 per year.

HOME — Enterprise provided HOME technical assistance pass through operating support of $20,000 to Cornerstone and offered THP $15,000 in pass through funding.

Production

TOTO — One hundred four families have been qualified through training and counseling. Thirty-five home purchases have closed under the program as of January 1994.

TCH — Thirty rental units have been acquired and 21 completed as of January 1994.

Cornerstone — Nineteen units have been acquired and 11 completed for its lease-purchase program as of January 1994.

Special Needs — Two developments housing 12 persons each have been completed by Contemporary Housing Alternatives.

Habitat — Approximately 12 houses have been completed.

Systems Change

The expansion of existing nonprofits and the creation of new nonprofits is shifting affordable housing production to the nonprofit sector. This expansion is made possible by the attraction of public and private resources to the nonprofit sector. Creating workable business plans for nonprofits to address unmet housing needs has expanded the amount of public and private capital directed to affordable housing.

The housing initiatives have enabled lenders to reinvest funds in Topeka in the form of flexible, discounted, useful financing for the nonprofits.

A permanent forum (the Mayor's Commission) has been created to coalesce the interest, the participation, and the leadership to focus and create solutions for the housing issue in Topeka.

Role of the Intermediary

The City of Topeka initially contracted with Enterprise to conduct an assessment of its housing needs and opportunities. Subsequently, the city contracted with Enterprise under the HUD Public-Private Partnership contract to develop a strategic plan and help implement the plan. Enterprise continues to provide direct technical assistance and training to three Topeka Community Housing Development Organizations (CHDOs): THP; TCH; and Cornerstone. Based on this contractual relationship with the city and individual nonprofits, Enterprise has played a number of roles:

- A comprehensive housing needs assessment was conducted culminating in a report ("Topeka: An Assessment of Housing Problems and Possibilities for Progress") and presentation to the leadership of Topeka in a town meeting.

- A strategic planning process was facilitated culminating in a report ("Report of the Mayor's Commission on Affordable Housing") which was presented and approved by the City Council.

- Three new program initiatives were organized guided by written business plans: "Topeka Opportunity to Own" and "Topeka City Homes Business Plan." Cornerstone's business plan for the Lease-Purchase Program was reviewed by Enterprise.

- New organizations were created (THP and TCH) by formulating the organizational structure, recruiting board members, providing board training, and in the case of TCH, assisting in the hiring and training of the director.

- Both capital and operating resources were raised by negotiating and securing commitments from the city and lenders and overseeing the applications for funding.

- Provided direct technical assistance and training to each of the nonprofits and city. In 1993, Enterprise committed $88,600 to four Topeka nonprofit housing developers under the HOME Technical Assistance to CHDOs Program. These funds may be used for operational support and /or the cost of Enterprise technical assistance for housing development, management and homeowner education. The four nonprofits are: Topeka City Homes, Inc. ($19,217), Community Development Coalition ($8,710), Cornerstone of Topeka ($33,029) and Topeka Housing Partnership ($27,643).

- Acted as a "broker" among various leaders many times with conflicting points of view and interests. Helped to unify differing paths into several focus directions.

Elements Critical to Success

There were a number of elements that were important for the initiatives in Topeka to move quickly and productively.

- The enthusiastic participation and support from a broad array of institutions and persons at various levels in the government sector, the corporate/lender sector, and the nonprofit/neighborhood sector, continually provides a solid foundation for decision making and action. (Results of the housing needs assessment indicated that there were very few financial resources to launch any major effort in Topeka. The broad community support encouraged Enterprise to continue.) This continued involvement, institutionalized in the Mayor's Commission on Affordable Housing, helps to sustain the momentum and direction outlined in the strategic plan.

- The commitment of city CIP bond funds and redirection of other public funds to nonprofit housing developers helped to offset the lack of local foundations and major home office corporate funders.

- It was important that, once a plan of action was approved, results could be seen relatively soon. Announcing the implementation of the first initiatives after only six months helped to continue momentum and create credibility. It was also important to start with a homeownership initiative since developing rental housing has proved to be somewhat controversial at the neighborhood level.

- Even though most members of the Commission held common negative views about the need for affordable rental units, there was a willingness to respond to what the housing data indicated as the greater need--affordable scattered-site rental housing.

- The active involvement of an outside intermediary helped keep the planning and implementation process moving and on track. A neutral outsider could keep activity focused and also get away with pushing the process forward. There was a period of about four months after the Commission was first formed when they wanted to begin implementation without assistance and nothing happened. Many leaders expressed gratitude once Enterprise was actively involved again because they could once again see momentum building.

Partnership Problems

One of the fundamental barriers to launching a high scale production effort in a urban area the size of Topeka is the lack of traditional local support mechanisms for nonprofit housing efforts in the form of foundations and home office corporations. Lack of private resources restricted what kind of production engines could be created and sustained. THP and other nonprofits continue to work toward increased housing development capacity, although limited private sector funding sources affect this process. THP, however, continues to fill the originally designed role of coordinator of the city's nonprofit housing production programs. Both the city and United Way recognize the value of supporting a staffed partnership; however, it has been difficult to garner the level of support needed to expand and sustain the partnership over and above essential staff.

Conclusion

Despite the lack of foundations and home office corporations, and practically non-existent nonprofit housing production, the PPP contract enabled Enterprise and Topeka's Department of Economic and Community Development to create new low-income housing programs. These enabled local lenders to finance homeownership, lease purchase, and acquisition and rehabilitation of scattered site rental properties by new non-profit housing corporations. Topeka has allocated 99 percent of its HOME funds (plus some CDBG funds) to these CHDOs and is far ahead of other jurisdictions in producing housing under the HOME program. More than two thirds of this housing serves families with incomes below 50 percent of the median.

These successes were possible because committed local leaders were able to achieve community consensus around housing issues and make strategic use of outside consulting assistance. While problems have arisen in achieving desired production and in maintaining relations between some partners, it is important to recognize the foundation that is now in place for Topeka to address its serious housing issues, and the program successes which have resulted.

WORCESTER, MA

Community Data

1990 Total Population	% Change from 1980	% White	% Black	% Hispanic Origin	Median Household Income	Median Family Income	Female Household Families
169,759	5%	87%	5%	9%	$28,955	$36,261	24%

Units Vacant	Median Mortgage	Median Rent	Total Population Below Poverty Level	Units Built Before 1949	Owner-Occupied Housing Units	Renter-Occupied Housing Units
8%	$860	$527	15%	58%	40%	52%

Female Headed Households Below Poverty Level with Related Children < 5 Years	Total Households Below 80% of MFI*	Total Households below 50% of MFI*	Renter Households below 50% of MFI* with Housing Cost Burden > 30% of Income
67%	58%	50%	29%

* See Description of Terms

Partnership Description

For many years in the City of Worcester, MA, community development officials, representatives of nonprofit organizations and local foundations have been frustrated at the lack of progress and limited results from their varied attempts to increase the production of affordable housing. In early 1991, as part of the assessment process undertaken by The Community Builders (TCB) at the start of the HUD Public-Private Partnership contract, representatives of these parties coalesced around a new citywide effort. This effort, The Worcester Neighborhood Development Collaborative (WNDC), was designed to foster a strategic approach to the revitalization of distressed neighborhoods by creating funding and financing mechanisms which would serve to increase the capacity and level of productivity of the city's nonprofit community development organizations in affordable housing development. The Collaborative was formed through the leadership of the Greater Worcester Community Foundation, the city's Department of Planning and Community Development, seven community-based housing development and service organizations, and the Worcester Housing Partnership (WHP). Interestingly, WHP had itself been formed for a similar purpose in the early 1980s but soon had steered away from a mission of support to other nonprofits and had become a small developer and owner of real estate in its own right.

Through the HUD contract, The Community Builders and the Community Technical Assistance Center helped develop the concept of the WNDC and then began working with its individual members in pursuit of the following goals:

- Prepare a citywide development plan and financing model for the city's predominate, triple decker housing stock. Both rental and homeownership strategies were to be pursued in tandem with the creation of a loan pool to provide permanent financing.

- Develop a Neighborhood Development Fund which would draw upon public and private resources to provide consistent operating support and technical assistance to community-based developers.

- Provide direct project related technical assistance to members of the Collaborative in order to develop a pipeline of projects for the financing program.

- Provide direct group and individualized technical assistance and training to Collaborative members on issues of organizational development and strategic planning.

Low-Income Housing Conditions

The City of Worcester, like many blue collar manufacturing cities in the northeast, has been struggling to maintain its manufacturing and commercial base for decades. The condition and affordability of its housing stock, mostly one, two, and three family homes, has mirrored that of other cities: disinvestment leading to arson, abandonment, and poor conditions in the 1960s and 1970s; followed by a resurgence of property values due to speculation in the 1980s; and a renewed cycle of deterioration, abandonment and disinvestment in the 1990s. During the 1980s, while the quality of the housing stock improved only marginally, values and rents nearly tripled. The last three years have seen a dramatic reversal of this trend. Property values have plunged leading to a precipitous decline in physical housing conditions, disinvestment and abandonment particularly in the city's inner-city neighborhoods dominated by triple deckers. The economy of the city has continued to suffer with unemployment and poverty rates remaining higher than the state averages. Thus, despite the drop in housing costs, housing affordability and the physical condition of the stock remain critical issues.

Worcester has continued to suffer from a declining employment base. Over the past 10 years, a significant decline in manufacturing employment has only partially been offset by a growth in lower paying, service sector employment. Future trends point to growing employment in areas such as biotechnology and health care fields. However, blue collar manufacturing is expected to continue to decline. For inner-city neighborhoods, this will mean a widening of the gap between the purchasing power of residents and the cost of good quality housing.

Community Approach to Affordable Housing

Historically, the production of affordable housing in the City of Worcester has been fragmented, with only limited success, particularly in the non-profit sector. What successful development there has been was carried out in a few large-scale sites. This occurred at a time when federal and state housing programs were relatively straight forward, funding was plentiful and profit margins high. However, these projects have not addressed the need for rehabilitation of existing buildings in Worcester's inner- city neighborhoods.

Through most of the late 1970s and 1980s, nonprofit groups, including community development corporations (CDCs), struggled to increase and expand the scope of their work in an environment which provided little support for either their core organizational or development projects. The city suffered from a lack of a cohesive and comprehensive approach to affordable housing production and neighborhood development. Several attempts to create a citywide umbrella organization (to promote and coordinate neighborhood-based development and consolidate resources) failed to take hold. As a result, with the exception of one organization, the Main South CDC, neighborhood development groups had limited success in expanding the scope of their work and suffered from a lack of organizational support resources and technical capacity. One CDC that started was forced to fold; others struggled to survive but were hampered by limited staffing and marginal projects.

Role of Partnership

The creation of the Collaborative seemed to signify a dramatic change in the emphasis and direction of the city's housing agenda. With it, the focus of the city's affordable housing efforts shifted to the neighborhoods, with the CDCs seen as the primary vehicle to bring about revitalization. The expectation was that the Collaborative could be the vehicle by which the organizational and development resources could be harnessed and coordinated. It was also hoped that with the leadership and participation of the Community Foundation, the city and the Worcester Housing Partnership, support for neighborhood-based development could be broadened in the private sector.

The Collaborative was conceived as the mechanism and institution that could support and build the technical sophistication of these neighborhood-based groups. Participants realized that the energy and leadership for neighborhood revitalization had to originate within the neighborhoods themselves. The role of the WNDC was to support these efforts by attracting new resources and consolidating existing ones, identifying opportunities for collaboration and cooperation among the housing development and service delivery organizations, and generally promoting the neighborhood-based affordable housing development model of the CDCs.

After only 12 months of existence however, WNDC was disbanded. The organization suffered from a vacuum in leadership and a lack of faith on the part of its members that devoting time and energy to the Collaborative's agenda could be worth the effort. A number of CDC members felt that it would be more productive to focus on their own individual organization's agenda. Some felt that the Collaborative's mission should more appropriately be focused on affordable housing production in general, rather than community-based neighborhood revitalization. Furthermore, it was very unclear to many members whether WNDC's mission should be institutionalized or could more appropriately be advanced informally through existing organizations. This general confusion and, at times, competition between the roles of individual organizations and the role of the Collaborative ultimately led to its demise as an organization. Despite this, several programmatic initiatives which emanated from this process have moved ahead. If these programs ultimately prove to be successful, it may lead to a more self-conscious attempt at collaborative activity in the future.

Despite the failure of WNDC to take hold, many of the Collaborative's goals were advanced as a result of the technical assistance provided through the HUD contract and the efforts of individual members of the collaborative.

A development model and financing plan for the triple decker housing stock was completed and is being utilized by one CDC. This model allows nonprofits to utilize more efficiently and effectively the city's HOME resources in order to leverage private and quasi-public mortgage funds and to improve productivity.

A proposal to establish a consortium of area banks to provide construction and permanent financing for these projects was prepared and presented. The plan served as the catalyst for a group of nine area banks to form the Worcester Community Banking Council, the city's first ever banking consortium specifically focused on affordable housing and neighborhood revitalization. As its first initiative, this banking consortium established Buy Worcester, a construction and permanent financing pool designed to promote homeowner occupancy in the City's triple decker housing stock. The Buy Worcester Program makes construction and permanent financing resources available to CDCs to acquire, renovate and resell triple deckers to first time homebuyers. Buy Worcester has been initially capitalized with $1 million in construction and $6.6 million in permanent financing. The Council's long- term goal is to provide financing for over 200 properties through this program.

The City of Worcester has made a major commitment of its CDBG funds to provide capacity building and operating support for nonprofit developers. In addition, the city has committed over 50 percent of its HOME allocation to projects sponsored by these groups. In order to maximize the impact of its limited resources, the city has also developed a targeted strategy for the allocation of its resources. Initially this has focused on the Beacon-Brightly neighborhood where the city is channeling resources to the Main South CDC and other neighborhood groups in order to address neighborhood revitalization in a comprehensive way. The intent is to replicate this focused strategy in other distressed neighborhoods, particularly those which are served by local CDCs.

A number of the goals of the Collaborative have been assumed by yet another newly created organization for inter-agency cooperation--Worcester Community Housing Resources (WCHR), formed by the consolidation the Worcester Housing Partnership and the Worcester Community Loan Fund. The new organization's primary focus will be to consolidate and redistribute resources for affordable housing production. WCHR is serving as the financial intermediary for the "Buy Worcester" program. In that capacity, in addition to underwriting project applications and administering funds, WCHR will be coordinating the marketing and home buyer education components of the "Buy Worcester" program as well as managing much of the construction activity.

TCB provided hands-on technical assistance to four community-based organizations in conceptualizing projects, site identification, and financial feasibility analysis. Projects to which assistance was provided included:

- Assisting a newly formed CDC in conceptualizing its first housing development project, reviewing and assessing the feasibility of optional project sites, and preparing a development and financing plan. A training session for the organization's board of directors on the housing development process was provided.

- Assisting an existing "economically distressed" limited equity cooperative in assessing alternative strategies to restructure the cooperative.

- Assisting a CDC in preparing a plan to acquire a vacant 60 unit structure from the local housing authority. The CDC hopes to redevelop this site for housing for single parent families with an integrated social service program.

- Assisting a local community land trust with developing a work out plan for a limited equity cooperative which they had developed and continue to manage.

In order to ensure that the resources available under the HUD contract were equitably allocated, technical assistance was initially provided on a limited basis with each organization. It became clear that for many of the groups a much more intensive project management type of involvement would be necessary if projects were to actually come to fruition. It was therefore decided to concentrate technical assistance efforts on one group which had the greatest combination of interest, need and likelihood for success.

To this end, beginning in the Summer of 1993, efforts were focused on the Oak Hill Community Development Corporation's Rental Housing Initiative. The goal of this initiative is to intervene in the housing market of the Union Hill neighborhood in order to reverse the trends of deterioration and disinvestment. Over a three year period, the CDC will be acquiring and rehabilitating 50 to 60 units of housing in triple deckers and managing them as permanently affordable rental housing. The principle challenge of this initiative has been to devise a development plan for a scattered-site triple decker housing stock which could be carried out at a scale which could be effectively managed and financed. The nature of the housing stock has historically made it very difficult for community-based nonprofit groups to undertake and manage a development project at an efficient scale. While the softening real estate market created opportunities for CDCs to negotiate very attractive acquisition prices, each individual three unit property represents a unique challenge in securing site control. The first phase of the initiative involves 21 units of housing located in six properties in the heart of the neighborhood. Resources to undertake the project totaling approximately $1 million will come from the Federal Home Loan Bank's Affordable Housing Program, State and City allocations of federal HOME funds, and below market mortgage financing provided through the Massachusetts Housing Partnership. These efforts have helped Oak Hill CDC understand and navigate its way through the development process.

When combined with its pending rehabilitation of a surplus school building into elderly housing, Oak Hill CDC is on its way to a new stage of internal development capacity, one that makes it a significant resource for neighborhood revitalization. The effort has also resulted in the evolution of a development model for small scale properties which can be replicated in similar neighborhoods not only in Worcester but other older industrial cities in the Northeast.

Conclusions

The Worcester experience provides several lessons regarding the difficulties involved in creating viable citywide housing partnerships which are aimed at promoting neighborhood revitalization. First, the energy for any neighborhood revitalization effort must emanate from the neighborhoods themselves. While a citywide partnership can provide support and resources, it can not be counted upon to provide the leadership and vision which are needed to succeed at neighborhood revitalization.

Second, the most important role a citywide partnership can play is to broaden the pool of resources available for neighborhood revitalization than could otherwise be accessed by each group individually. This should involve bringing to the table private sector resources which otherwise would not find themselves channelled into these activities. To be successful, therefore, it is critical that the non-neighborhood-based groups which are part of the Partnership believe in the viability of community-based organizations as the primary vehicle through which neighborhood revitalization can be advanced. Without this, the Partnership is likely to fail at fulfilling its neighborhood revitalization mission.

Third, the preponderance of neighborhood-based development organizations are severely lacking in both human and financial capital. Given this fragile circumstance, the participation of these groups in citywide partnership activities will only be sustained if the groups can see that their investment of time will yield net tangible gains to their organizations and neighborhoods. Their willingness to invest their time will be dependent upon the level of faith and trust that they have in the leadership of the Partnership and its potential to increase the pool of resources which the groups can draw upon. Without this, most neighborhood-based development groups will choose to channel their time and energy in pursuing their own individual agendas.

Finally, the key to success of any neighborhood-based revitalization effort is the availability of strong, hands-on technical assistance to community-based development groups. This is not so much a statement regarding the technical sophistication that prevails within community-based organizations, but rather a recognition that many neighborhood-based developers are immersed in a day to day struggle aimed at survival and coping with immediate crises. They therefore are unable to devote the amount of focused time and energy necessary to effectively design and carry out development projects that begin to impact the needs of their communities. Until these groups are able to achieve a level of focused development capacity that is sustainable over time, they will have an ongoing need for technical assistance. This is a service that ideally could be provided or brokered by a viable citywide partnership.

ENDNOTES

1. During the course of this partnership-building program, the National Affordable Housing Act of 1990 was passed and implemented, giving rise to the HOME program. Much of the development activity emerging from these partnership activities reflects investment of HOME dollars as well as CDBG, despite the slow start-up of municipal HOME programs and the problems encountered by Participating Jurisdictions in navigating HOME regulations.

2. Concomitant with HOME, the National Affordable Housing Act sparked the preparation of Comprehensive Housing Affordability Strategy (CHAS) documents, replacing the CDBG-mandated Housing Assistance Plans (HAPs). Intermediary and partnership involvement in CHAS processes (now the consolidated plan) was interwoven in this program.

3. The HUD cooperative agreements paid for the technical assistance and training costs incurred by the intermediaries. However, The Enterprise Foundation structured its partnership-building program so that localities put up some local dollars to pay for costs above and beyond those covered by HUD. This requirement reflected Enterprise's belief that partnership-building technical assistance and training required greater levels of staff assistance than HUD's contract could support and that without local contributions, the "free" technical assistance would not garner the kind of local involvement and support that comes from assistance that is "purchased". The local amount was minimal compared to the HUD-funded level of effort on Enterprise's part, and it could be funded with resources from private sector players such as local foundations in addition to CDBG or other public dollars. All of LISC's local programs benefitted from locally generated revenues raised from public and private sources. However, such local fund-raising, matched by LISC national resources, is a standard element of LISC's community programming, and was not triggered or required by the advent of the HUD partnership-building assistance.

4. With all four intermediaries, several of the communities were not new "clients", constituents, or program sites. Rather, the intermediaries had pre-existing relationships with municipal governments, nonprofit developers, and others in a number of communities and lobbied HUD for approval to expand their programs to include partnership-building. For example, although Enterprise assessed a number of communities for their potential participation, there were a few deemed "pre-assessed" that Enterprise already knew well enough to include in the program, such as Atlanta, Dallas, Portland (OR), and Greensboro, and others were locations where there were "Enterprise Network" member organizations, for example, the Lynchburg Covenant Fellowship in Lynchburg. Only a couple of LISC's partnership cities such as San Diego and Richmond (VA) were relatively new to the LISC system, although it does not appear that the HUD contract constituted the intervention-point for their recruitment as it did for Enterprise. As one of New England's pre-eminent affordable housing packagers for nonprofit developers, TCB clearly knew a great deal about CDCs in some of the communities which it eventually helped through the partnership-building program.

5. Even in Dallas, most of the HUD-related assistance was provided by staff from Columbia. In addition to Enterprise staff, Enterprise contracted with two independent

entities to assist four communities--the New York City Housing Partnership to work with Buffalo and San Juan; ICF to assist Lafayette (IN) and Hillsborough County (FL).

6. A LISC program is established in a locality only if several factors are clear, including the following: that there will be substantial, tangible private sector monetary contributions available to help CDCs, which LISC will match on a 1:1 basis or even higher; that there is a constituency of CDCs, both established and new, which LISC can assist; and that the local public sector is willing to support community-based development through the resources at its disposal. These characteristics clearly constitute the elements of public/private partnership, beyond the composition of the LISC local advisory committees.

7. This table only includes mainland U.S. cities and, therefore, excludes San Juan, Puerto Rico. It also does not present data for Bucks County, Pennsylvania, which had no city ranked in this list, nor does it include Hillsborough County, Florida, which contains Tampa. Enterprise's technical assistance focus was the un-incorporated portions of the County.

8. Poverty rankings for U.S. cities over 50,000 in population, based on 1990 Census data, as calculated in George Grier, Poor Cities: An Analysis of Poverty in U.S. Cities Over 50,000 (Greater Washington Research Center, March , 1993).

9. Enterprise actually worked with all of Stark County, Ohio.

10. NDC was designated for San Joaquin County, but worked mostly with Stockton.

11. Enterprise worked with Lancaster County and Lancaster City.

12. Enterprise worked with both Knox County and Knoxville.

13. Enterprise was actually designated for Tarrant County; Fort Worth is the major city.

14. NDC was supposed to work with both the City of Las Vegas and Clark County, but ended up only with the latter.

15. Poverty tracts are those with at least 20% of the residents below the federal poverty level; extreme poverty tracts have 40% of the population below the poverty level. This ranking of cities over 100,000 by the number of persons living in poverty and extreme poverty tracts comes from John D. Kasarda, "Inner-City Concentrated Poverty and Neighborhood Distress: 1970 to 1990", in Housing Policy Debate (Vol. 4, Issue 3, 1993), pp. 290-293.

16. Diane R. Suchman, "Program-Based Housing Partnerships: A Vehicle for Producing Low-Income Housing", Urban Land (December, 1989), p. 30.

17. Leslie J.C. Riggin, Patrick G. Grasso, and Mary L. Westcott, "A Framework for Evaluating Housing and Community Development Partnerships", Public Administration Review (January/February, 1992, Vol. 52, No. 1), p. 41.

18. The NCDI cities which also received NCDI assistance include Atlanta, Richmond, California (as part of NCDI funds flowing to groups in the Bay Area), Denver, Kansas City, Los Angeles, Philadelphia, Portland (OR), and San Antonio.

19. Alice Shabecoff and Pam Dinkle, How Do You Tell Your Mother What You Do for a Living: A Scan of Core Operating Support Programs (Development Training Institute, October, 1993), pp. 18-19.

20. See Building Homes Building Hope (United Way of America, 1992) for descriptions of the United Way's partnership-building efforts in Santa Fe, Tarrant County, Kansas City, Los Angeles, and elsewhere.

21. The Baltimore, New York, Columbus, and BRIDGE partnerships were not participants in the HUD program as receivers of technical assistance from the four intermediaries, but were referenced in several settings as models for study and emulation.

22. In Charleston, Enterprise subsequently helped establish a bank loan consortium in addition to what was the public sector efforts focused on the Department of Community Development.

23. Hilltop Homeownership Action Plan (Tacoma, Washington. Prepared by Pacific Development Concepts for the Hilltop Housing Consortium: June, 1992)

24. Metro Housing Partnership Strategic Plan (Flint, Michigan. Fall, 1992)

25. As the TA contracts were dependent on the Community Development Block Grant for "nexus", requiring the TA providers to work with municipal government, the significance of the role of local government in their workplans is not surprising. However, partnerships fundamentally rationalize and systematize the local system for subsidizing affordable housing through community-based developers, and frequently emerge because of local frustrations with the inefficiency of public sector resource flows.

26. Cf. Productivity of Housing Programs Funded by the City of Fort Worth (The Enterprise Foundation, August 18, 1993), addressing strategic issues, program marketing, financing mechanisms, and construction management.

27. Evaluation and Recommendations to the Department of Housing and Neighborhood Services, City of Dallas (The Enterprise Foundation, May 11, 1993).

28. Cf. the CDC Housing Production Plan, which formed the basis for LISC's December, 1991 "Detroit Public/Private Workshop for Community Development Corporation Housing Production."

29. Examples of public sector initiation and dominance of "partnership" activity include: Mayor Buddy Cianci's initiation of the "Providence Plan" and the subsequent creation of the Providence Plan Housing Corporation; the leadership of Trenton's Director of Housing and Economic Development, Alan Mallach, channeling significant portions of the City's CDBG and HOME dollars to support CDC-sponsored housing development; the roles of Karen

Hiller and Al Bailey behind the Homeless Task Force that led to the creation of the Mayor's Commission on Affordable Housing in Topeka; the strong support of the outgoing mayor of Fort Worth, Bob Bolen, and the subsequent personal involvement of the incoming mayor, Kay Granger, in the formation of the Tarrant County Housing Partnership; Knoxville Housing Director Laurens Tullock's leadership in pushing City funds to the Knox Housing Partnership; etc.

30. Cf. Mark L. Levine and Alan Brickman, Assessment of the United Way Housing Initiatives Program (Levine Associates: April, 1992).

31. Cf. Neal R. Peirce, "The Senselessness of Urban Sprawl", National Journal (September 25, 1993), p. 2326, that "(i)n the past four years, not a single major corporate relocation in the United States 'has gone anywhere except the absolute metropolitan fringe'".

32. Lynchburg was apparently the only city in the nation to be successful in applying for all three HOPE programs in the first year that HOPE was funded.

APPENDIX A

COMMUNITY DATA DEFINITION OF TERMS

MFI: To provide 1990 Census data to states and local jurisdictions in the format necessary for developing their Comprehensive Housing Affordability Strategy (CHAS), the Census bureau supplied HUD with a special "jurisdiction tabulation." In addition to several categories based on poverty thresholds, that tabulation categorized households into five income groups and housing units into five affordability categories, with both types of categories derived in relation to HUD's official "low-income" and "very low-income" limits. These limits are defined annually by HUD for each MSA or non-metropolitan county in the U.S. - as 80 or 50 percent, respectively - of the local median family income, with adjustments for household size and for areas with unusually high or low relationships between income and housing costs.

Because of the statutory adjustments, the exact thresholds to be used in categorizing households by income or housing units by cost depend on the HUD adjusted median family income (MFI) rather than the area's unadjusted median family income. Moreover, the income thresholds must vary with household size and the affordability thresholds with number of bedrooms in a housing unit.

Income limits are calculated by family size for each metropolitan area and nonmetropolitan county in the U.S. and its territories. They are based on the Department's estimates of median family income, with adjustments for areas which have unusually high or low income to housing cost relationships.

The statutory basis for HUD's income limit policies are based in part on the following provisions

-Income limits for nonmetropolitan areas may not be less than limits based on the state nonmetropolitan median family income level.

-Income limits may be adjusted for areas with unusually high or low family income or low family income or housing cost-to-income relationships.

Please note that the Census Bureau uses unadjusted median family income which is based on the amount which divides the distribution into two equal groups, one having incomes above the median and the other having incomes below the median. The median income is based on the distribution of the total number of families including those with no income.

Total Households Below 80% of MFI: Income limit defined annually by HUD for each MSA or non-metropolitan county in the U.S. - as 80 percent - of local median family income, with adjustments for household size and for areas with unusually high or low relationships between income and housing costs.

Total Households Below 50% of MFI: Income limit defined annually by HUD for each

MSA or non-metropolitan county in the U.S. - as 50 percent - of local median family income, with adjustments for household size and for areas with unusually high or low relationships between income and housing costs.

Household: defined as the occupied housing unit. Households consist of one or more persons sharing a housing unit, defining the household's size.

Family: defined to mean two or more persons living in the same household who are related by blood, marriage or adoption. (Families are a subset of households.)

Income: defined as the total income as the sum of amounts reported separately for several different factors: wage & salaries; nonfarm self-employment; farm self-employment; interest, dividends, and rentals; social security; unemployment compensation; welfare or other public assistance; and all other sources. These income amounts are before tax, representing the gross figures prior to any subtractions for taxes, social security, or any other payroll deductions. Not counted as income are such items as receipts from sale of property (unless that was the purpose of an ongoing business enterprise), gifts, inheritances, or tax funds.

Family Income: The total money income received by all family members 15 years old and over who live in the same housing unit. Persons living alone such as the elderly or students, are not included in family income measurements.

Poverty Status: The incomes of families and unrelated individuals are classified as above or below poverty by comparing their total income to a cut off or poverty threshold. These thresholds are carefully constructed to reflect the needs of persons, based on family size, number of children, and age of family householder or unrelated person.

APPENDIX B

PUBLIC-PRIVATE PARTNERSHIP COMMUNITIES CONTACT LIST

Atlanta, GA Commissioner Carl Hartrampf Department of Housing City of Atlanta 68 Mitchell Street, SW, Suite 1200 Atlanta, GA 33035 404-330-6390		Bryan, TX Gail MacMillan, Coordinator Community Development City of Bryan 300 S. Texas Ave. Bryan, TX 77803 409-361-3600
Bucks County, PA Steve Stein, Director Office of Community Development One Almshouse Neschaminy Manor Ct. Doylestown, PA 18901 215-345-3841		Buffalo, NY Commissioner Anthony Marconi Department of Inspections and Community Revitalization City of Buffalo City Hall Buffalo, NY 14202 716-861-4913
Canton, OH/Stark County William E. McGeorge, Director of Economic Development & Planning City of Canton 218 Cleveland Ave., S.W. P.O. Box 24218 Canton, Ohio 44701 216-489-3258		Charleston, SC Patricia W. Crawford Director of Housing and Community Development Division Department of Planning and Urban Development City of Charleston 116 Meeting Street Charleston, CS 29401 803-724-3766
Charlotte, NC Pamela A. Syfert Deputy City Manager City of Charlotte 600 East Fourth Street Charlotte, NC 28202-2853 704-336-2241		Clark County, NV/Las Vegas Douglas R. Bell, Manager Clark County Community & Economic Development 301 E. Clark Ave., Suite 270 Las Vegas, NV 89101 702-455-5025

Cleveland Heights, OH Kimberly Steigerwald, Development Officer Planning Department City of Cleveland Heights 40 Severance Circle Cleveland, OH 44118 216-291-4868	Dallas, TX Bill Tolbert, Community Development Director City of Dallas 1500 Marilla, 1DN Dallas, TX 75201 214-670-4621
Denton, TX Barbara Ross, Community Development Coordinator City of Denton 105 1/2 W. Hickory Street Denton, TX 76201 817-383-7235	Denver, CO Myrna Hipp Program Manager of Housing Planning and Community Development Office City and County of Denver Denver, CO 80204 303-640-5717
Detroit, MI Gloria W. Robinson, Director Planning and Development Department City of Detroit 2300 Cadillac Tower Detroit, MI 48226 313-224-6389	El Paso, TX Deborah Hamlyn, Director Dept. of Community and Human Development City of El Paso 2 Civic Center Plaza, 9th Floor El Paso, Texas 79901 915-541-4643
Flint, MI Kathryn Stoughton, Director Department of Community and Economic Development 1101 S. Saginaw Street Flint, MI 48502 810-766-7436	Fort Worth, TX/Tarrant County Libby Watson Assistant City Manager City of Fort Worth 1000 Throckmorten St. Ft. Worth, TX 76102 817-871-6125

Greensboro, NC Andrew Scott, Director Department of Housing and Community Development City of Greensboro P.O. Box 3136 Greensboro, NC 27402-3136 919-373-2144	Harrisburg, PA Terri Martini, Director Department of Community and Economic Development City of Harrisburg Martin Luther King City Government Center 10 North Second Street Harrisburg, PA 17109-1677 717-288-6480
Hillsborough County, FL Craig B. Mahlman, Manager Hillsborough County Housing & Community Development Department County Center, 19th floor 601 East Kennedy Blvd. Tampa, FL 33602 813-276-2889	Jackson, MS Nathaniel Griffin, Director Department of Planning and Development City of Jackson 200 South Presidents St., #229 Jackson, MS 39201 601-960-1993
Kansas City, MO James M. Vaughn Department of Housing and Community Development 414 East 12th Street, 11th Floor Kansas City, MO 64106 816-274-2201	Kenosha, WI James M. Schultz, Director Dept. of Housing and Neighborhood Development City of Kenosha 625 52nd Street, Room 111 Kenosha, WI 53140 414-656-8194
Knoxville, TN/Knox County J. Laurens Tullock, Director Community Development and Public Service City of Knoxville P.O. Box 1631 Knoxville, TN 37901 615-521-2120	Lafayette, IN Sherry McLauchlan, Director Department of Community Development City of Lafayette 324 Ferry Street Lafayette, IN 47901 317-742-1145

Lancaster County, PA/Lancaster Charles Patterson, Executive Director Lancaster County Housing & Redevelopment Authority 29 East King St., Suite 316 Lancaster, PA 17602 717-394-0793	Los Angeles, CA Parker C. Anderson, General Manager Community Development Department City of Los Angeles 215 West 6th Street Los Angeles, CA 90014 213-485-1617
Louisville, KY James Allen, Director Department of Housing and Urban Development City of Louisville 727 West Main Street Louisville, KY 40404-2633 502-625-3107 502-625-4199	Lynchburg, VA Richard Jacques, Director of Community Planning and Development City of Lynchburg City Hall 900 Church St. Lynchburg VA 24504 804-847-1435
Milwaukee, WI Leo Ries, Director Housing and Neighborhood Development Department of City Development 809 North Broadway Milwaukee, WI 53202 414-223-5600	New Haven, CT Judith Sklarz, Director of Planning & Neighborhood Development City of New Haven 165 Church St. New Haven, CT 06510 203-946-8436
Pasadena, CA Patricia Ortiz, Program Coordinator City of Pasadena 87 North Raymond Street Pasadena, CA 91103 818-405-3700	Philadelphia, PA John Kromer, Director Office of Housing and Community Development City of Philadelphia 1234 Market Street, Suite 450 Philadelphia, PA 19107 215-686-9750

Portland, ME Mark Adelson, Community Development Administrator Department of Planning & Urban Development City Hall, 389 Congress St. Portland, ME 04101 207-874-8733		Portland, OR Steven Rudman Resource Development Manager Bureau of Community Development 808 SW Third, Suite 600 Portland, OR 97204 503-823-3033
Providence, RI John F. Palmeiri, Director Department of Planning and Community Development City of Providence 400 Westminster Providence, RI 02903 401-351-4300		Reno, NV Pam Barrett Community Development Department City of Reno 450 Sinclair Street, 3rd floor Reno, NV 89501 702-334-2220
Richmond, CA David S. Thompson, Director Housing and Community Development Department City of Richmond 2600 Barrett Ave. Richmond, CA 94804 510-620-6548		Richmond, VA Charles T. Peters, Director Department of Planning and Community Development City of Richmond 900 East Broad Street, Room 511 Richmond, VA 23219 804-780-6304
Sacramento, CA John Warner, Program Manager Sacramento Housing and Redevelopment Agency 630 I Street Sacramento, CA 95814 916-440-1351		San Antonio, TX William T. Cornwell Director of Housing Opportunities Division San Antonio Housing Authority 818 S. Flores Street P.O. Drawer 1300 San Antonio, TX 78204 210-220-3210

San Diego, CA Ed Oliva, Director Risk Management Department 1222 First Avenue San Diego, CA 92101 619-236-5905		San Joaquin County, CA/Stockton Thomas E. Walker, Deputy Director Department of Planning and Building Inspection San Joaquin County 1810 East Hazleton Avenue Stockton, CA 95205 209-468-3154
San Juan, PR Reyes Rodriguez, Executive Director Department of Housing and Community Development City of San Juan GPO Box 2138 San Juan, PR 00936 809-724-0000		Santa Fe, NM Joseph Montoya, Principal Planner City Department of Community Development City of Santa Fe 200 Lincoln P.O. Box 909 Santa Fe, NM 87504-0909 505-984-6574
Syracuse, NY Vito Sciscioli, Commissioner Dept. of Community Development City of Syracuse 223 City Hall Syracuse, NY 13202 315-448-8104		Tacoma, WA Norris V. Bacho, Director Department of Planning and Development Services City of Tacoma 747 Market Street, Suite 1036 Tacoma, WA 98401 206-591-5206
Toledo, OH Paul Hubbard, Director Department of Neighborhoods City of Toledo 1 Government Center Toledo, OH 43604 419-245-1400		Topeka, KS Al Bailey, Director Community and Economic Development City of Topeka 515 Kansas Avenue, Suite 405 Topeka, KS 66603 913-295-3711

Trenton, NJ Alan Mallach, Director Department of Housing and Community Development City of Trenton City Hall Annex Trenton, NJ 08608 609-989-3504		Worcester, MA Steven O'Neill, Director Office of Planning and Community Development City of Worcester 455 Main Street, Room 402 Worcester, MA 01608 508-799-1400

APPENDIX C

HUD CPD DIRECTORS and Telephone Numbers

BOSTON	Robert L. Paquin	(617) 565-5342
HARTFORD	Mary Ellen Morgan	(203) 240-4508
MANCHESTER*	David J. Lafond	(603) 666-7640
NEW YORK	Joseph A. D'Agosta	(212) 264-0771
BUFFALO	Michael F. Merrill	(716) 551-5755 x5800
NEWARK	Frank B. Sagarese	(201) 622-7900 x3300
PHILADELPHIA	Joyce Gaskins	(215) 656-0624
BALTIMORE	Harold Young	(410) 962-2520 x3116
PITTSBURGH	Bruce Crawford	(412) 644-5493
RICHMOND	Joseph K. Aversano	(804) 278-4503
WASHINGTON, DC	James H. McDaniel	(202) 275-9200 x3163
ATLANTA	John Perry	(404) 331-5139
BIRMINGHAM	William H. Dirl	(205) 290-7645
COLUMBIA	Ed Bradley	(803) 765-5564
GREENSBORO	Charles T. Ferebee	(910) 547-4005
JACKSON	Jeanie E. Smith	(601) 965-4765
JACKSONVILLE	James N. Nichol	(904) 232-3587
KNOXVILLE	Virginia E. Peck	(423) 545-4396
LOUISVILLE	Ben Cook	(502) 582-6141
CARIBBEAN	Carmen Cabrera	(809) 766-5576
MIAMI-SO. DADE*	Richard P. Garrabrant	(305) 662-4570
CHICAGO	James Barnes	(312) 353-1696
COLUMBUS	John E. Riordan	(614) 469-6743
DETROIT	Richard Paul	(313) 226-6689
INDIANAPOLIS	Robert F. Poffenberger	(317) 226-5169
MILWAUKEE	Lana J. Vacha	(414) 297-3113
MINNEAPOLIS	Shawn Huckleby	(612) 370-3019
FORT WORTH	Katie Worsham	(817) 885-5483
LITTLE ROCK	Billy M. Parsley	(501) 324-6375
NEW ORLEANS	Greg Hamilton	(504) 589-7212
OKLAHOMA CITY	David H. Long	(405) 231-4200
SAN ANTONIO	John T. Maldonado	(210) 229-6820
KANSAS CITY	William Rotert	(913) 551-5484
OMAHA	Gregory A. Bevirt	(402) 492-3144
ST. LOUIS	James Cunningham	(314) 539-6524
DENVER	Guadalupe M. Herrera	(303) 672-5414
SAN FRANCISCO	Steve Sachs	(415) 436-6597
HONOLULU	Patty A. Nicholas	(808) 522-8180 x264
LOS ANGELES	Herbert L. Roberts	(213) 251-7235
PHOENIX*	Marty Mitchell	(602) 379-4754
SEATTLE	John W. Peters	(206) 220-5150
ANCHORAGE	Colleen Bickford	(907) 271-3669
PORTLAND	John G. Bonham	(503) 326-7012

*** Outstationed**

PARTNERSHIP CITIES

APPENDIX E

DESCRIPTIONS OF FOUR INTERMEDIARIES

The National Development Council (NDC) is a national not-for-profit corporation specializing in economic and housing development finance. Throughout its 25 year history, NDC's focus has been to create job opportunities and generate investment in distressed communities through technical assistance, training and financial services. NDC's specialty is to initiate new programs and concepts and to work with non-profits and local governments all across the country to establish local, self-sustaining delivery systems for housing and economic development. NDC currently works in over 120 cities, counties, and states.

NDC has a long history of finance program design and implementation, including assisting SBA in the development of the 503/504 loan program. In the 1980's, NDC worked with 22 state governments to create state-wide economic delivery systems under the HUD-sponsored Small Business Revitalization Program. In the 1970's, NDC was selected under the HUD SBA/EDA sponsored Neighborhood Business Revitalization Program to work in 65 entitlement communities to create self-sustaining economic development financing systems through public-private partnerships.

Through classroom training, NDC has trained more than 25,000 economic and housing development practitioners in the analysis and deal structuring skills necessary to make development happen in their communities.

The Enterprise Foundation is a nonprofit organization launched by Jim and Patty Rouse in 1982 to see that all low-income people in the United States have the opportunity for fit and affordable housing, and to move up and out of poverty into the mainstream of American life.

Working from the neighborhood up in 153 locations and with more than 500 groups, Enterprise is building a national network of nonprofit neighborhood groups and local partnerships to achieve its goals. Enterprise helps cities and neighborhood groups enlarge their capacity to provide decent housing, reduce housing costs by financing at low rates, find local business support, and link human support services to those being housed.

Enterprise is committed to building and strengthening long-lasting, sustainable housing and community partnerships in cities in which it is working. In Baltimore, Maryland, Enterprise is working in partnership with the city and residents of the Sandtown-Winchester community to transform all of the neighborhood's dysfunctioning systems and at the same time build a healthy and viable community.

The Enterprise Social Investment Corporation (ESIC) is a subsidiary of The Enterprise Foundation which identifies and develops new sources of financing to help provide housing for the very poor. ESIC has raised over $1.6 billion in equity for low-income housing with Low-Income Housing Tax Credits.

Through December 1995, The Enterprise Foundation has helped make possible more than 61,000 new and rehabilitated units of housing for the poor.

The Local Initiatives Support Corporation (LISC) is the largest community development intermediary in the nation. It provides support to community-based development organizations helping residents rebuild distressed neighborhoods and rural communities. These nonprofits develop affordable housing, spur commercial investment, create jobs and offer services to improve the quality of life in the communities that they serve.

LISC is over fifteen years old. It was created and spun off by the Ford Foundation. At present, it serves 32 cities and areas across the country, mobilizing national resources, matching local contributions and providing direct technical assistance, training, grants and low cost loans to community development corporations (CDCs) in these areas. Each of these programs is served by a small on-site staff and Local Advisory Committee.

LISC also has three affiliates: The National Equity Fund, the largest syndicator of low income housing tax credits; the Local Initiatives Managed Assets Corporation, a secondary market entity purchasing community development loans; and, its newest affiliate, The Retail Initiative, investing equity in shopping centers with supermarket chain store anchor tenants. These affiliates invest in projects involving CDCs as developers and owners.

Since its inception, LISC has raised more than $310 million in grants and loans to operate local programs, and better than a billion dollars in capital for its affiliates, from a total of nearly 1,300 corporations, foundation, financial institutions and government agencies. These funds have been used to help nearly 1,000 CDCs develop 55,000 units of affordable ownership and rental housing and 9.1 million square feet of commercial, community and industrial facilities.

The Community Builders (TCB) is a regional non-profit corporation that works in partnership with local non-profit development organizations to create affordable housing and broader community revitalization efforts serving low- and moderate-income people. These partnerships have developed over 7,500 housing units during the organization's 30 years. Units currently in development exceed 3,000 additional housing units. Since 1964, The Community Builders has completed over 100 projects with total costs of $524 million. TCB has raised private equity in excess of $175 million. TCB had a central role in the formation of the Boston Housing Partnership--a nationally recognized model of an unusually successful program-based housing partnership referred to elsewhere in the Overview of this document. TCB provided a broad range of assistance in the design of BHP's first two scattered-site rehabilitation programs which supported a dozen CDCs in reclaiming 1,600 housing units.

TCB provides a full range of development and operational services geared to the needs of its local non-profit community development organizations including: debt and equity finance, construction, design, social service planning, property management and comprehensive revitalization strategies. In appropriate circumstances, TCB is capable of providing in-depth, hands-on assistance in a close working relationship with a local sponsor in order to do whatever it takes to make development projects happen. In other cases, TCB services are focused only on mutually agreed tasks. TCB has its own property management division currently managing over 3,500 units of housing and several commercial facilities in 18 communities, an outgrowth of its commitment to create and maintain affordable housing.

TCB has assisted local community organizations on a wide variety of housing development efforts including new construction and rehabilitation, large-scale developments (up to 300 units) and small, family, elderly, single-room occupancy, urban, rural, single project and multi-phase comprehensive community revitalization. Increasingly, TCB is engaged in assisting community sponsors in the creation of integrated housing-based social service programs helping communities create environments that support each resident's needs and goals in areas such as health, education, family support and welfare-training work.

TCB plays an ownership role in a limited number of circumstances where a local community-based organization is not available and where TCB believes a unique housing opportunity exists. TCB maintains five offices throughout the Northeastern United States. Funding for TCB services are generally included as part of overall development costs of individual project financings, although occasionally are supported by foundations and government funding such as its work as part of this HUD Public-Private Partnership Program.

Technical assistance for non-profit housing groups interested in addressing internal issues of organizational strategy and development was provided by Community Training and Assistance Center, a regional non-profit consulting firm specializing in the growth challenges of community-based organizations.

TCB combines some aspects of both LISC and Enterprise with a capacity to provide hands-on, in-depth, project-specific development assistance on a wide range of services. Like LISC, TCB is a vocal champion of the role of community-based development corporations, supporting them wherever possible as uniquely valuable organizations capable of accomplishing significant affordable housing production and lasting neighborhood revitalization. Like Enterprise, TCB will play a number of different roles, in an effort to find pragmatic responses to local circumstances. TCB's primary role is as technical assistance provider to individual local non-profit clients. However, in the Public-Private Partnership program, TCB worked with newly-created citywide non-profits and partnerships in Worcester and Providence. On occasion, TCB will even play an ownership or joint venture ownership role in a project where required.

TCB's view of housing partnerships could best be described as agnostic. Even in its original proposal to HUD prior to selection, TCB described a bottom-up process for affordable housing development the result of which may or may not be the formation of a citywide housing partnership. From the outset, TCB asserted the importance of viewing housing partnerships as a means to an end, not an end in itself. For example, after completing the Assessment phase in Bucks County, TCB stated that it would not seek to create a formal partnership organization and instead would use all of the available HUD technical assistance resources to provide project-specific, technical assistance in order to focus resources exclusively on getting more non-profit housing production underway.

TCB believes that partnerships can be useful if they actually enhance the provision of financing, core operating support or technical assistance available to CDCs. However, TCB is concerned that if care is not taken, partnerships can end up simply adding another layer of bureaucracy or worse, another obstacle to an already overly complex development process. Partnerships need to head the basic rule of the medical profession, "First, do not harm." An effective housing partnership can be a positive factor in a community's nonprofit affordable housing production system, but it is by no means necessary. In many communities the informal networks and relationships that grow up over time are perfectly adequate, flexible, non-bureaucratic and do not need to be formalized.

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