

Transcript: The Role of the CDBG Program in Creating Decent Housing

For many Americans the dream of a safe, affordable home seems beyond reach.

It was like a little barn. It was cold. And it was really raggedy, too raggedy to call a house, but I lived there for quite a while.

We were homeless for two years, bouncing around from family and friends' houses. I think we moved 4, 5 times in two years.

Three years ago I lost my wife, and when we bought the house we had two incomes, I couldn't keep up with her not getting social security no more. I had retired to take care of her, then, I went back to work after she passed and I just, I couldn't do it by myself.

CDBG communities build or repair about 100,000 homes each year for lower income people. CDBG flexibility has meant that each community approaches its housing challenges with its own strategy.

I had vinyl siding on the outside. I had new windows and also, the gutter system around the house was a water coming inside through the slab and they put catch basins and we routed water around. So that was really nice.

If you can imagine essentially a lean-to home, that really did lean; it tilted in one direction. The poor gentleman had virtually no electricity, he had no bathroom. Every window was broken. And to be able to take him from that condition into a brand new home and see the change in his life, it's one of those things I'll never forget.

San Diego's solar affordable housing program helps make solar affordable for low income homeowners who would not be able to afford it otherwise but really need the savings that solar can provide.

For several years we have been tapping into the federal home funds through the Department of Housing and Community Affairs. They provide up to \$20,000 of down payment assistance; we have completed over 100 projects, 100 houses, utilizing the home funds as well as city of Midland and their CDBG funds.

CDBG supports multifamily development for seniors, families and people with disabilities.

Community development practitioners understand housing is not only a basic human need it's an integral part of a sustainable community.

To create a very vibrant and livable area, not only do you need to have stores and shops, and opportunities for people to come during the day but you also need to have a resident population so it retains that vibrancy during afternoon and evening hours.

The old adage says retail follows roof tops. So the more homeowners you have in the area, the more likely the retailers are going to come and develop, providing goods and services to the neighborhoods here.

Many of our clients are very low income. I have had clients who live on a house with multiple vacant properties. They act as a stabilizing force, on their block and in the neighborhood, based on their ability to stay in the property, be a community member, and maintain the property.

Some cities implemented strategies making housing development the focal point of neighborhood revitalization. That can be undertaken by smaller and mid-sized cities like Midland, Texas as well as larger ones like Philadelphia's Cecil B. Moore homeownership zone project.

Through a combination of Community Development Block Grant funds, Section 108 loan funds, other funds we receive from the state, we were able to complete a comprehensive plan for the neighborhood. We redesigned streets, we acquired vacant lots we acquired vacant structures so that the entire Cecil B. Moore homeownership zone became a combination of new construction, infield housing, rehabilitation, that really treated the whole neighborhood.

The city took on a target area concept. So the city goes out and aggregates land, putting in infrastructure necessary that is required. Once infrastructure is in place, they turn over land to Habitat for the organizations to go in and revitalize the neighborhoods.

Supporting housing for lower-income families means more than brick and mortar.

Midland used pre and post purchase counseling, formed a fair housing coalition and implemented an Individual Development Account (IDA) program.

They took a home buyer education class at Midland Community Development Corporation. And we were able to, once they received all of the education and established habit of savings, they're able to match savings 3:1, up to \$3,000. From that we had 76 families purchase their first home through the IDA program.

When the foreclosure crisis hit, Philadelphia was quick to respond by developing a strong program to prevent foreclosure, which has become an international model.

This program is basically a creation of Judge Annette Rizzo of the First Judicial District. It came about back in 2008 because of the high sheriff sales taking place throughout the country, particularly here in Philadelphia. And what this program does, it prevents any homes from going to sheriff's sale unless they have the opportunity to come to courtroom 676 in Philadelphia and negotiate with the lender through the lender attorney to try to arrange for better payment arrangements and lower interest rate and lower the mortgage payments.

We have been touted as a model program nationally and internationally. What makes it a model program? We're completely aligned from minute one with the wonderful resources we have in Philadelphia. And the heart of it, and I mention this often, are wonderful housing counselors under the guidance of the Office of Housing and Community Development. We trained hundreds of lawyers over the years to actually step in and represent homeowners who are in need of assistance in the program.

But to say over 600 lawyers stepped up and given over \$3 million worth of pro bono services is daunting and impressive. Often times before the program was instituted, the only interaction you'd have with a homeowner is when they're in great distress, often right before a sheriff's sale or another significant event in the foreclosure. Let's find that person earlier in the process, work with that person to come up with real solutions. Many foreclosures could be resolved with a couple thousand dollars of assistance.

I'm proud to say over 85% of the homes we saved, over 7,000, those homeowners remain in their homes after two years. That is an important report card. That's something that we're looking at, not only in terms of saving a city, stabilizing the community, a block, also, in many ways preventing homelessness of the family. And those are all critical needs and factors hopefully, we satisfy.

This program is helpful, I'm living proof of it. I take good care of my home. I'm happy. And thankful.

A complete housing package requires careful planning and a long term commitment.

Housing has been an important part of strategic plans in many communities. In 2001 the city of Hinesville began an effort to undertake a master plan for redevelopment of downtown and create a quality growth resource team assembled by the Georgia Department of Community Affairs. One thing they suggested is to undertake the more difficult of the challenges first.

The program started about roughly ten years ago. What we decided to do is come up with a committee of citizens to select a target area. We got input from citizens and they were the ones that made recommendations for final approval of targeted areas.

OHCD has been working in the neighborhood for decades, so that when the Cecil B. Moore homeownership funding became available in 1996 this was the natural progression of where we had been working and the commitment that the city had to that neighborhood over a long period of time.

10% of the homes are accessible. We had all handicap homes actually were purchased; their units were a little bigger to give them accessibility.

If you drive through, it has a suburban feel because there's more green space. There are driveways, it's not a traditional Philadelphia row house built to the sidewalk without a driveway.

Well, people like, they like, they tell me they like to change, you know? Who wants to look at blight all the time?

In-housing leveraging resources through partnerships is not just important, but is essential. The list of potential partners is long. CDBG can bring in funding from other public entities and working partnerships of foundations, nonprofits, lenders, housing industry, the faith community, volunteers, and homeowners themselves.

The primary key to a successful housing program is a vision of a strong, diverse community, and strategies based on Consolidated Plan goals. With those two elements, CDBG housing funds can change people's lives and make communities more viable. CDBG has been doing so in communities across the country for 40 years.

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