

Program                    Ready 4 Work (Formerly the Welcome Home Initiative)  
A Business, Faith, Community and Criminal Justice Partnership

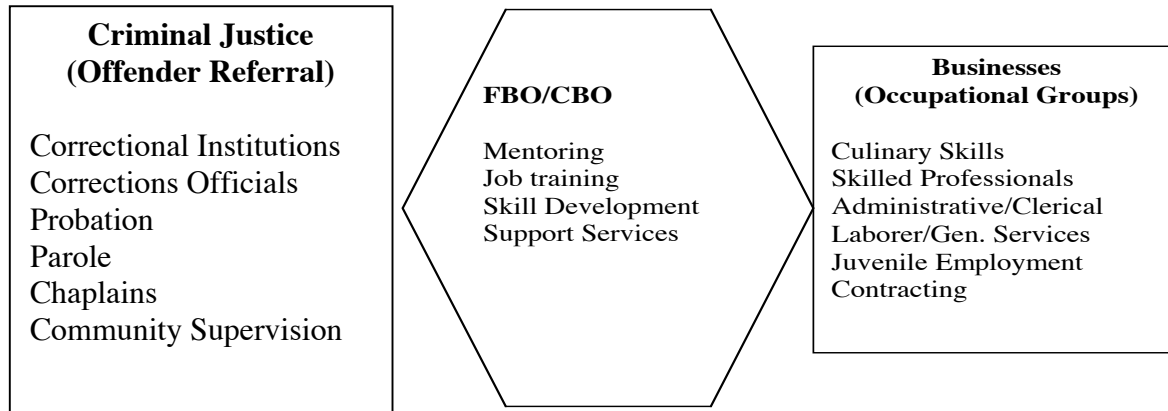
Federal Agencies        Employment and Training Administration, U.S. Department of Labor, U.S. Department of Justice, Center for  
Workforce Preparation, U.S. Chamber of Commerce

The White House Faith and Community Based Initiative in partnership with the National Association of Blacks in Criminal Justice, Prison Fellowship Ministries, National Jobs Partnerships have earmarked several cities for pilot project funds dedicated to helping ex-offenders re-enter communities (Jacksonville, FL, Chicago, IL with expansion sites in Washington, D.C., Oakland and St. Louis).

The objectives of the Welcome Home Initiative are:

- To employ and retain job-ready ex-offenders
- To reduce recidivism
- Level community resources to provide long-term care/mentoring
- Capture and share best practices concerning community partnerships

### **Ready 4 Work Program Chart**



**Program**                    **H-1B Technical Skills Training Grants**

**Federal Agency**        **Employment and Training Administration, U.S. Department of Labor**

On January 6, 2003 the U.S. Department of Labor announced that local boards that administer federally-funded workforce training programs are being invited to compete for grants to provide technical skills training for unemployed workers or for incumbent workers who want to upgrade their skills or change occupations.

Approximately \$200 million will be available for the grants, which are financed by fees paid by employers who bring skilled foreign workers to this country on a temporary basis to work in high skill occupations.

Local workforce investment boards in partnership with at least one business or business association **and one community and/or faith-based organization**, a higher-education institution or labor union may apply for grants of up to \$3 million.

Information and procedures to apply for the H-1B Technical Skills Training Grant were published January 6, 2003 in the Federal Register. Applications, which are also available below are being accepted for these technical skills training grants for employed and unemployed American workers. Applications are being accepted until further notice. Review panels will be convened to consider the grant applications on an ongoing basis.

The Department of Labor plans to conduct several bidders' conferences relating to this high tech training grant solicitation in the near future. Information regarding these conferences will be posted on this website: [http://www.doleta.gov/h-1b/whatshot/whatshot\\_Jan03.asp](http://www.doleta.gov/h-1b/whatshot/whatshot_Jan03.asp)

**Program**                    **VA Homeless Providers Grant and Per Diem Program**

**Federal Agency**        **Veterans Health Administration, Department of Veterans Affairs**

**OBJECTIVES:**

To assist public and nonprofit private entities in establishing new programs and service centers to furnish supportive services and supportive housing for homeless veterans through grants that may be used to acquire, renovate or alter facilities, and to provide per diem payments, or in-kind assistance in lieu of per diem payments, to eligible entities which established programs after November 10, 1992 that provide supportive services and supportive housing for homeless veterans. (Note: The number of vans was limited to 20 for the life of this grant. This Van Restriction has not been lifted.)

**TYPES OF ASSISTANCE:**

Project Grants.

**USES AND USE RESTRICTIONS:**

The Homeless Veterans Comprehensive Service Programs Act of 1992 (Public Law 102-590) established the VA Homeless Providers Grant and Per Diem Program. The Act authorizes VA to assist public or non-profit private entities with partial funding for "bricks and mortar" to create supportive housing or services centers or to purchase vans for outreach and transportation. The Act also authorizes VA to partially fund operating expenses for these facilities through per diem payments.

**ELIGIBILITY REQUIREMENTS:**

***Applicant Eligibility:*** Applicants eligible for grants include public and nonprofit private entities with the capacity to effectively administer a grant; which demonstrate that adequate financial support will be available to carry out the project; and which agree to and

demonstrate capacity to meet the applicable criteria and requirements of the grant program. Applicants eligible for per diem payments include public or nonprofit private entities who are either grant recipients, or who are eligible to receive a grant. Programs eligible for coverage under per diem payments must have been established after November 10, 1992.

***Beneficiary Eligibility:*** Veterans, meaning a person who served in the active military, naval or air service, and who was discharged or released there from under conditions other than dishonorable.

#### **APPLICATION AND AWARD PROCESS:**

***Preapplication Coordination:*** Application documents include a Standard Form 424, 424C and 424D, as well as VA Form 10-0361. Once per year if funds are available for the program, VA will publish in the Federal Register a notice of fund availability, soliciting applications for the grant program and information on applications for requesting eligibility to receive per diem payments. This program is excluded from coverage under E.O. 12372.

***Application Procedure:*** The application forms required by 38 CFR 17.700, "VA Homeless Providers Grant and Per Diem Program," and furnished by the Federal agency must be used for the program.

***Award Procedure:*** Formal approval of the award of assistance is made by the Secretary of Veterans Affairs; the program is administered by Mental Health Strategic Healthcare Group.

***Deadlines:*** Deadlines for program applications are established in the notice of fund availability.

#### **ASSISTANCE CONSIDERATIONS:**

***Formula and Matching Requirements:*** Federal participation provides up to 65 percent of total project cost, with the grant recipient providing the remainder. Once funds are obligated for a grant project, VA will not increase the amount obligated.

***Length and Time Phasing of Assistance:*** For the grant program, appropriation expires at the end of each fiscal year. Length of time limitations for the per diem programs are not established, however, per diem is contingent on availability of VA program funds. Reimbursement payments are made to the recipient based on the Federal share of costs incurred.

**FINANCIAL INFORMATION:**

**Obligations:** (Grants) FY 01 \$20,000,000; FY 02 est \$31,653,000; and FY 03 est \$31,653,000.

**Range and Average of Financial Assistance:** \$12,610 to \$541,000.

**MORE INFORMATION**

**Headquarters Office:** Program Manager, VA Homeless Providers Grant and Per Diem Program, Mental Health Strategic Healthcare Group (116E), Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420. Telephone: (202) 273-8966. (This is not a toll-free number.) Toll-free 1-877-322-0334. Contacts: Victor Harris - Telephone: (202) 273-8443. Roger Casey - Telephone: 1-877-322-0334.

**Web Site Address:** <http://www.va.gov>.

**Program** Homeless Veterans Reintegration Project –Nonurban Areas  
**Federal Agency** Office of the Assistant Secretary for Veterans Employment and Training, Department of Labor

**TYPES OF ASSISTANCE:**

Project Grants.

**USES AND USE RESTRICTIONS:**

Projects supported with these funds shall provide for employment and training services and support services directly or through linkages with other service providers to assist homeless veterans to reenter the workforce. Outreach is necessary and is to be performed by formerly homeless veterans.

**ELIGIBILITY REQUIREMENTS**

*Nonurban: Potential Jurisdictions to be served:*

Due to the demonstration nature of the Act, the amount of funds available, and the emphasis on establishing or strengthening existing linkages with other recipients of funds under the HVCAA, the only potential jurisdictions which will be served through this non-urban competition for HVRPs in PY 2002 are the areas outside of the 75 U.S. cities largest in population and the city of San Juan, Puerto Rico.

*Applicant Eligibility:*

Applications for funds will be accepted from State and local workforce investment boards, local public agencies, and nonprofit organizations, including faith-based and community organizations, which have familiarity with the area and population to be served and can administer an effective program. Eligible applicants will fall into one of the following categories:

- State and Local Workforce Investment Boards (WIBS) as defined in Section 111 and 117 of the Workforce Investment Act, are eligible applicants, as well as State and local public agencies.
- Local public agency, meaning any public agency of a general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers. (This typically refers to cities and counties). A State agency may propose in its application to serve one or more of the potential jurisdictions located in its State. This does not preclude a city or county agency from submitting an application to serve its own jurisdiction.
- Applicants are encouraged to utilize, through sub-awards, experienced public agencies, private nonprofit organizations, and private businesses and faith-based and community organizations that have an understanding of unemployment and the barriers to employment unique to homeless veterans, a familiarity with the area to be served, and the capability to effectively provide the necessary services.
- Also eligible to apply are private nonprofit organizations that have operated an HVRP or similar employment and training program for the homeless or veterans and proven a capacity to manage grants and have or will provide the necessary linkages with other service providers. Entities described in Section 501(c)(4) of the Internal Revenue Codes that engage in lobbying activities are not eligible to receive funds under this announcement as Section 18 of the Lobbying Disclosure Act of 1995, Public Law No. 104-65, 109 Stat. 691, prohibits the award of Federal funds to these entities.

***Beneficiary Eligibility:*** Individuals who are homeless veterans.

***Credentials/Documentation:*** According to the program's Solicitation for Grant Application (SGA) or Standard 424, Application for Federal Assistance.

## **PROGRAM CONCEPT AND EMPHASIS**

The HVRP grants under Section 5 of the Homeless Veterans Comprehensive Assistance Act of 2001 are intended to address two objectives:

(1) to provide services to assist in reintegrating homeless veterans into meaningful employment within the labor force; and (2) to stimulate the development of effective service delivery systems that will address the complex problems facing homeless veterans.

There are four program activities that all applications must contain to be found technically acceptable under this SGA. These activities are:

- Pre-Enrollment Assessments;
- Employment Development Plans for all clients;
- Case Management
- Job Placement and job retention follow-up (at 90 and 180 days) after individual enters employment.

## **APPLICATION AND AWARD PROCESS:**

***Application Procedure:*** Standard Form 424, Application for Federal Assistance, and Standard Form 424A, Budget Information shall be submitted, along with the technical proposal and budget narrative as required by the application annual or biannual SGA. This program is subject to the provisions of OMB Circular Nos. A-102, A-112, A-87, A-122, 29 CFR 93, 95, 96, 97, and 98.

***Award Procedure:*** The Office of the Assistant Secretary for Administration and Management, and the Assistant Secretary for Veterans' Employment and Training are responsible for all funding decisions regarding this program.

***Deadlines:*** The specific deadlines for submission of applications for this program are published in the SGA. document.

***Range of Approval/Disapproval Time:*** Approximately 90 days.

## **ASSISTANCE CONSIDERATIONS:**

***Formula and Matching Requirements:*** No matching is required.

***Length and Time Phasing of Assistance:*** Usually awarded for a full fiscal year (October through September period).

## **FINANCIAL INFORMATION:**

VETS anticipates that up to \$1.5 million will be available for grant awards in Program Year (PY) 2002 and expects to award up to eleven grants.

## **MORE INFORMATION**

***Headquarters Office:*** Office of the Assistant Secretary for Veterans' Employment and Training, 200 Constitution Avenue, NW., Room S-1316, Washington, DC 20210. Telephone: (202) 693-4719. Contact: Robert M. Wilson.

***Web Site Addresses:***

<http://www.dol.gov/vets/grants/grant2/main.htm>

<http://www.dol.gov/dol/vets>.

<http://www.cfda.gov/public/viewprog.asp?progid=612>

**Program** Homeless Veterans Reintegration Project –Urban Areas  
**Federal Agency** Office of the Assistant Secretary for Veterans Employment and Training, Department of Labor

**TYPES OF ASSISTANCE:**

Project Grants.

**USES AND USE RESTRICTIONS:**

Projects supported with these funds shall provide for employment and training services and support services directly or through linkages with other service providers to assist homeless veterans to reenter the workforce. Outreach is necessary and is to be performed by formerly homeless veterans.

**ELIGIBILITY REQUIREMENTS**

*Urban: Potential Jurisdictions to be served:*

Due to the demonstration nature of the Act, the amount of funds available, and the emphasis on establishing or strengthening existing linkages with other recipients of funds under the HVCAA, the only potential jurisdictions which will be served through this urban competition for HVRPs in PY 2002 are the metropolitan areas of the 75 U.S. cities largest in population and the city of San Juan, Puerto Rico. **(Los Angeles-Riverside-Orange County CMSA, San Francisco-Oakland-San Jose CMSA, San Diego MSA, Sacramento-Yolo CMSA, Fresno, Bakersfield, Las Vegas-AZ MSA, Phoenix-Mesa MSA, Tucson, AZ.)**

*Applicant Eligibility:*

Applications for funds will be accepted from State and Local workforce investment boards, local public agencies, and nonprofit organizations, including faith-based and community organizations, which have familiarity with the area and population to be served and can administer an effective program. Eligible applicants will fall into one of the following categories:

- State and Local Workforce Investment Boards (WIBS) as defined in Section 111 and 117 of the Workforce Investment Act, are eligible applicants, as well as State and local public agencies.
- Local public agency, meaning any public agency of a general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers. (This typically refers to cities and counties.) A State agency may propose in its application to serve one or more of the potential jurisdictions located in its State. This does not preclude a city or county agency from submitting an application to serve its own jurisdiction.
- Applicants are encouraged to utilize, through sub-awards, experienced public agencies, private nonprofit organizations, and private businesses and faith-based and community organizations that have an understanding of unemployment and the barriers to employment unique to homeless veterans, a familiarity with the area to be served, and the capability to effectively provide the necessary services.
- Also eligible to apply are private nonprofit organizations that have operated an HVRP or similar employment and training program for the homeless or veterans and proven a capacity to manage grants and have or will provide the necessary linkages with other service providers. Entities described in Section 501(c)(4) of the Internal Revenue Codes that engage in lobbying activities are not eligible to receive funds under this announcement as Section 18 of the Lobbying Disclosure Act of 1995, Public Law No. 104-65, 109 Stat. 691, prohibits the award of Federal funds to these entities.

***Beneficiary Eligibility:*** Individuals who are homeless veterans.

***Credentials/Documentation:*** According to the program's Solicitation for Grant Application (SGA) or Standard 424, Application for Federal Assistance.

## **PROGRAM CONCEPT AND EMPHASIS**

The HVRP grants under Section 5 of the Homeless Veterans Comprehensive Assistance Act of 2001 are intended to address two objectives:

(1) to provide services to assist in reintegrating homeless veterans into meaningful employment within the labor force; and (2) to stimulate the development of effective service delivery systems that will address the complex problems facing homeless veterans.

There are four program activities that all applications must contain to be found technically acceptable under this SGA. These activities are:

- Pre-Enrollment Assessments;
- Employment Development Plans for all clients;
- Case Management

Job Placement and job retention follow-up (at 90 and 180 days) after individual enters employment.

#### **APPLICATION AND AWARD PROCESS:**

***Application Procedure:*** Standard Form 424, Application for Federal Assistance, and Standard Form 424A, Budget Information shall be submitted, along with the technical proposal and budget narrative as required by the application annual or biannual SGA. This program is subject to the provisions of OMB Circular Nos. A-102, A-112, A-87, A-122, 29 CFR 93, 95, 96, 97, and 98.

***Award Procedure:*** The Office of the Assistant Secretary for Administration and Management, and the Assistant Secretary for Veterans' Employment and Training are responsible for all funding decisions regarding this program.

***Deadlines:*** The specific deadlines for submission of applications for this program are published in the SGA. document.

***Range of Approval/Disapproval Time:*** Approximately 90 days.

#### **ASSISTANCE CONSIDERATIONS:**

***Formula and Matching Requirements:*** No matching is required.

***Length and Time Phasing of Assistance:*** Usually awarded for a full fiscal year (October through September period).

## **FINANCIAL INFORMATION:**

FY 2002: The total amount of funds available for this solicitation is \$5.5 million. It is anticipated that up to 30 awards may be made under this solicitation. Awards are expected to range from \$200,000 to \$250,000. The Department of Labor reserves the right to negotiate the amounts to be awarded under this competition. Please be advised that requests exceeding the \$250,000 will be considered non-responsive.

## **MORE INFORMATION**

**Headquarters Office:** Office of the Assistant Secretary for Veterans' Employment and Training, 200 Constitution Avenue, NW., Room S-1316, Washington, DC 20210. Telephone: (202) 693-4719. Contact: Robert M. Wilson.

### ***Web Site Addresses:***

<http://www.dol.gov/vets/grants/grant6/main.htm>

<http://www.dol.gov/dol/vets>.

<http://www.cfda.gov/public/viewprog.asp?progid=612>

**Program**                      **Workforce Training Funds (EDD/ETP)**  
**State Agency**              **Employment Development Department**

(Reproduced from the State of California's EDD website  
<http://www.edd.ca.gov/eddwtf.htm#Career%20Ladders%20to%20the%2021st%20Century>)

**Are you looking for an opportunity to receive workforce training funds?**

Through a partnership with the Employment Training Panel (ETP) and Employment Development Department (EDD), funding is available to meet the needs of employers for skilled workers and the need of workers for good paying, long-term jobs.

**Career Ladders to the 21st Century**

"California Career Ladders to the 21st Century" is a joint project of ETP and EDD. This pilot program was designed to meet the needs of employers for skilled workers and the needs of workers for better paying jobs. To carry out this goal, Career Ladders is deploying approximately \$15 million to employers across the State in specific industries who are interested in developing career ladder programs for their entry-level employees.

As they step into the Career Ladder program, California's working poor—workers who are not earning enough to lift their families above the poverty line – and California's employers will enjoy a variety of benefits, such as:

**Employers:**

- \* Receive funds to help train their workers.
- \* Experience decreased turnover.
- \* Have satisfied employees.
- \* Build a career ladder that attracts workers to their business.
- \* Retain skilled workers who understand the need for life-long learning.

**Workers:**

- \* Move from low paying jobs to higher paying jobs.
- \* Keep their job while they are receiving training.
- \* Receive skills necessary to move up the career ladder.

- \* Feel a sense of job satisfaction.

**More Information:**

If you are interested in building a career ladder within your business, organization, or industry association and would like to find out how you can receive training funds for your employees, refer to the Fact Sheet on the web site above. Also included are examples of potential mobility paths.

**TechForce**

During the next eight years, there will be more than 125,000 openings for mid-level Information Technology (IT) employment positions. TechForce, an innovative joint training program of the Employment Development Department (EDD) and the Employment and Training Panel (ETP), answers California's need for skilled IT workers.

Approximately \$10 million in ETP funds have been set aside to help Local Workforce Investment Boards (WIBs) and other eligible entities train incumbent workers for a variety of entry level and advanced IT occupations or skill such as:

- \* Personal computer technicians
- \* Telecommunications technicians
- \* Field service technicians
- \* Language Programming
- \* Database Systems and Concepts
- \* Microsoft Windows System Administration
- \* Network Engineering/Management
- \* Router Configuration
- \* UNIX System Management
- \* Web and E-Commerce Security
- \* Windows Application

**Who May Apply?**

- \* Workforce Investment Boards (WIBs)
- \* Employers\*
- \* Groups of employers\*
- \* Training agencies\*

\* Schools\*

## IMPORTANT

**\*Although the above entities may hold a contract, the local Workforce Investment Board (WIB) must be an active participant in a TechForce contract.**

### **Why You Should Apply?**

These dollars are to be used to train currently employed workers. The training will meet the demand of employers for skilled workers and the desire of workers for high-skill, high-wage jobs.

- \* Training rates can be reimbursed at up to \$20 per hour per student
- \* Up to 15 percent of the contract amount may be used for administration
- \* An additional 8 percent may be available to recruit/outreach to multiple employers

### **Technical Assistance**

Staff is available to answer questions you may have about applying for these funds and to help you develop a proposal. Please call Francene Kennedy at (916) 657-4880.

**Program**

Federal Agency

**Assets for Independence Demonstration Program**

Division of Community Demonstration Programs (DCDP/DEMO) of the Office of Community Services (OCS) Administration for Children and Families (ACFY), Department of Health and Human Services (DHHS)

**OBJECTIVES:**

To provide for the establishment of demonstration projects designed to determine: 1) the social, civic, psychological, and economic effects of providing to individuals and families with limited means an incentive to accumulate assets by saving a portion of their earned income; 2) the extent to which an asset-based policy that promotes saving for postsecondary education, homeownership, and microenterprise development may be used to enable individuals and families with limited means to increase their economic self-sufficiency; and 3) the extent to which an asset-based policy stabilizes and improves families and the community in which the families live.

**USES AND USE RESTRICTIONS:**

Demonstration grants for five-year project and budget periods with a 100 percent nonfederal cash match requirement. Federal and nonfederal funds must be used in the amount of 85 percent, in equal amounts to match deposits by Project Participants in Individual Development Accounts (IDAs) at an agreed upon ratio of from one to eight dollars of participant deposits must be used. A maximum contribution of Federal dollars of \$2,000 per individual and \$4,000 per household. Funds from the IDAs may be used for any of four "Qualified Expenses": 1) Postsecondary education expenses; 2) expenses of purchasing a first home; 3) capitalization expenses of starting a business; and, 4) transfers to IDAs of family members.

**ELIGIBILITY REQUIREMENTS:***Applicant Eligibility:*

- (1) Private nonprofit organizations that are tax exempt under Section 501(c)(3) of the Internal Revenue Code;
- (2) State or local agencies or Tribal governments submitting applications jointly with tax exempt organizations;
- (3) a credit union designated as a low-income credit union by the National Credit Union Administration (NCUA); or
- (4) an organization designated as a community development financial institution (CDFI) by the Secretary of the Treasury (or the CDFI Fund).

Each of the latter entities must demonstrate a collaborative relationship with a local community-based organization whose activities are designed to address poverty in the community and the needs of community members for economic independence and stability.

*Beneficiary Eligibility:*

Eligible program participants are individuals that are members of households eligible for assistance under TANF or of households whose adjusted gross income does not exceed the earned income amount as described in Section 32 of the Internal Revenue Code of 1986, taking into account the size of the household or of households whose annual income does not exceed 200 percent of the poverty income guidelines as established and published by the Department of Health and Human Services. The net worth of the household at the end of the calendar year preceding the determination of eligibility must not exceed \$10,000 excluding the primary dwelling unit and one motor vehicle owned by a member of the household. Grantees targeting individuals in neighborhoods and communities of high poverty or unemployment may restrict eligibility in neighborhoods and communities of individuals with lower incomes and net worth.

**APPLICATION AND AWARD PROCESS:**

*Application Procedure:* Competitive applications must be submitted on Standard Forms 424, 424A, and 424B, and include a project narrative as described in the program announcement issued by the Office of Community Services and published in the Federal Register. Required forms are attached to the published announcement. No State plan is required.

*Award Procedure:* Final decision on awarding of competitive grants will be made by the Director of the Office of Community Services, Administration for Children and Families, Department of Health and Human Services, after peer review and rating of applications on the basis of program elements and criteria set forth in the program announcement. Applications generally will be considered in the order of the average scores assigned by reviewers. However, highly ranked applications are not guaranteed funding since other factors are taken into consideration, including, but not limited to, the timely and proper completion of projects funded with OCS funds granted in the last 5 years; comments of reviewers and government officials; staff evaluation and input; geographic distribution of applications; compliance with grant terms under previous DHHS grants, including the actual dedication to program of mobilized resources as set forth in project applications; audit reports; and applicant's progress in resolving any final audit disallowances on previous OCS or other Federal agency grants.

*Deadlines:* Applications for 2003 have not yet been made available, but will likely be published in spring 2003 the Federal Register of the 2003 OCS Program Announcement. The 2002 Program Announcement (Request for Applications) is available at <http://www.acf.dhhs.gov/programs/ocs/ida02.htm>.

**ASSISTANCE CONSIDERATIONS:**

Formula and Matching Requirements: This program has no statutory formula. Grant amounts are limited by Statute to an amount of matching cash nonfederal contributions.

Length and Time Phasing of Assistance: One-time grants are for 5-year budget and project periods. Funds may be drawn down during the 5-year budget period in amounts equal to deposit of required nonfederal matching contributions in the reserve fund required of each project.

**FINANCIAL INFORMATION:**

Obligations: (Grants and Contracts) FY 01 \$24,878,326; FY 02 est \$24,976,000; and FY 03 est \$24,990,000.

Range and Average of Financial Assistance: The agency has funded applications that range from \$10,000 to \$1,000,000. The average grant funded in the last funding cycle was \$238,000. OCS expects to fund approximately 60 new grants generally not to exceed \$1,000,000 each for the 5 year project and budget periods. Eligible entities may apply for new grants up to the statutory limit of \$1,000,000 in each funding cycle.

**MORE INFORMATION:**

Headquarters Office: Sheldon Shalit, Office of Community Services, Administration for Children and Families, Department of Health and Human Services, 370 L'Enfant Promenade, SW., Washington, DC 20447. Telephone: (202) 401-4807 or e-mail address: [sshalit@ACF.DHHS.GOV](mailto:sshalit@ACF.DHHS.GOV).

Web Site Address: <http://www.acf.dhhs.gov/programs/ocs>.

## **Using TANF Funds for Housing**

### **Introduction**

Federal housing subsidy programs do not serve enough families. A number of state and local governments have stepped in to fill the gap left by federal programs. State and local governments can set up their own housing assistance programs with funding from federal Temporary Assistance to Needy Families (TANF) funds. TANF funds are intended to support the services and assistance necessary to move welfare recipients from dependence on public funds to self-sufficiency. There are two sources of TANF program spending, each with its own requirements and restrictions: 1) the federal TANF block grant; and 2) state TANF “maintenance of effort” or “MOE” spending.

Federal funds are provided to the states with different restrictions on use, depending on what types of benefits are provided. Regulations impose time limits on aid as well as work participation and child support requirements for any family receiving benefits from TANF funds.

States have more discretion in spending MOE funds. States may use MOE funds for a variety of benefits and services, including educational activities, cash assistance, child-care assistance, and administrative costs. To receive benefits from MOE funds, eligible families must include a child or a pregnant woman.

### **Permissible Uses of Funds**

The TANF regulations and restrictions apply to families receiving TANF “assistance.” Therefore, the definition of “assistance” is very important. The U.S. Department of Health and Human Services (HHS) recently issued guidelines clarifying what types of benefits are not technically assistance and therefore can be administered with more flexibility.

States can spend funds on homelessness prevention programs without invoking TANF restrictions if certain requirements are met. Homelessness prevention benefits are not technically assistance if (1) benefits are designed to deal with a specific crisis or episode of need; (2) benefits are provided on a one-time basis or for a prospective period that does not exceed four months; and (3) benefits are not intended to meet recurrent or ongoing needs.

Short-term or one-time benefits to prevent homelessness that do not invoke the federal restrictions on “assistance” include payment for rent or utility arrears (in any amount and for any number of months) and first and last months’ rent deposits and security deposits. Homeless prevention programs are also a good use of TANF funds. Examples from states include eviction prevention, short-term rental assistance, emergency housing, and temporary shelters.

States and counties can provide emergency shelter, transitional housing, or short term rent payments for homeless and other needy families for up to four months. As long as

benefits are provided to meet a short-term, non-recurrent need, they may be provided more than once during a year. Moreover, more than one payment of the same type can be made as long as each one is made without the expectation of making additional payments.

States may use TANF or MOE funds to give eligible families loans or grants to purchase homes. These funds, provided in the form of a grant or loan to assist a family purchasing a home, do not count as assistance under TANF rules because the benefit is a one-time payment.

Needy families may be facing credit problems that hinder their ability to purchase a home or to obtain rental housing. States can use TANF or MOE funds for credit counseling and to help families resolve bad debt or other credit problems.

Using TANF or MOE money, a state can enter into a multi-year contract with a nonprofit or a for-profit developer or owner of rental housing to provide rental subsidies for eligible families. This type of “project-based” assistance will help reduce rents by paying part of the operating costs, which includes the cost of repaying purchase or construction loans. Note, however, that the state cannot use TANF funds directly to help with the purchase or construction of a building.

At least six states and several California counties have developed programs that use TANF or MOE funds to provide housing assistance to needy families. Programs in Los Angeles and San Mateo counties provide tenant-based housing vouchers that subsidize rents in the private housing market. Other programs subsidize property owners if they agree to rent their units to eligible low-income families.

## **Section 8 Housing Choice Voucher Program<sup>1</sup>**

The Housing Choice Voucher Program is administered primarily by Public Housing Authorities and has four components:

- Tenant-based rental assistance;
- Project-based rental assistance;
- Homeownership assistance; and
- Down payment assistance.

The tenant-based rental assistance program provides tenant-based rental subsidies that can be used in privately owned rental housing chosen by the program participant that meets program guidelines and project . The PHAs are responsible for tenant selection, managing the subsidy account, and inspecting apartments before they are rented. PHAs provide a rental subsidy directly to landlords on behalf of eligible tenants who select housing that meets program guidelines. In general, tenants pay 30 percent of their income in rent (and no more than 40%) and the PHA pays the difference between this and the rent charged for the unit. Rents must be “reasonable” and equal to or below a Fair market Rent established by HUD.

The project-based rental assistance program ties vouchers to one or more units in a specific building for a specific time. Committing the voucher to the property guarantees the owner that Section 8 subsidy funding will be used in the property. The PHA then refers eligible applicants to reside in those units. Project-based units are subject to most of the standard rules of the Section 8 tenant-based voucher program.

The homeownership assistance program permits PHAs to allow section 8 vouchers to be used to help very low income people purchase a home.

PHAs must target at least 75% of their rent subsidies to households with incomes below 30% of the median income and establish other tenant selection preference categories that are consistent with local housing needs. For example, PHAs may adopt a local preference for people with disabilities, although there is not requirement that they must do so.

There is usually a very long waiting list for Section 8 vouchers, and many PHAs open their Section 8 waiting lists for new applicants for very limited periods of time.

PHAs are required to prepare and submit to HUD a five year Public Housing Agency Plan covering all aspects of a PHA's operations, including PHA income targeting and tenant selection preferences. The plan must be consistent with the housing needs and housing strategies described in the community's HUD mandated Consolidated Plan.

Congress also has established separate "set-aside" programs within the Section 8 program. These special set-aside vouchers are administered in the same manner as the conventional Section 8 vouchers, except that they are targeted to specific populations, such as persons with disabilities, veterans, families unifying with their children, persons using Medicaid service waivers, etc.

For detailed information on the Housing Choice Voucher Program and how to use the program to assist people with disabilities, see Technical Assistance Collaborative, Inc.'s Section 8 Made Simple: Using the Housing Choice Voucher Program to Assist People with Disabilities, June, 2002 available at: [www.tacing.org/resourcesframe.html](http://www.tacing.org/resourcesframe.html).

---

<sup>1</sup> Technical Assistance Collaborative, Federal Housing Resource Guide, July, 2001.

**Program Name**                   Section 8 Housing Choice Vouchers  
**Federal Agency**               Public and Indian Housing, HUD  
**Administering Agency**       Primarily Local Public Housing Authority

**Objectives:**

To aid very low income families in obtaining decent, safe, and sanitary rental housing. For Welfare-to-Work rental vouchers, families must also meet special welfare-to-work criteria.

**Types of Assistance:**

Direct Payments for Specified Use.

**Uses and Use Restrictions:**

Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe, and sanitary housing for very low income families at rents they can afford. Housing assistance payments are generally the difference between the local payment standard and 30 percent of the family's adjusted income.

**Eligibility Requirements:**

***Applicant Eligibility:*** Applicants are limited to public housing agencies. A public housing agency (PHA) is defined as any State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in or assist in the development or operation of housing for very low income families; and, a consortium of PHAs; any other nonprofit entity that was administering a Section 8 tenant-based program on October 21, 1998; or, for an area outside the jurisdiction of a PHA administering a voucher program, a private nonprofit entity or a governmental entity or public body that would otherwise lack jurisdiction to administer the program in such area.

***Beneficiary Eligibility:*** Very low income families (whose income does not exceed 50 percent of the median income for the area as determined by the Secretary with adjustments for smaller and larger families) and, on an exception basis, lower income families (whose income does not exceed 80 percent of the median income for the area, adjusted for smaller and larger families). At least 75 percent of families admitted to the voucher program during the PHA fiscal year must be extremely low income families (whose income does not exceed 30 percent of the median income for the area).

**Application and Award Process:**

***Preapplication Coordination:*** HUD publishes a Notice of Funding availability (NOFA) in the Federal Register identifying allocation areas, amount of funds available for each area, and the selection criteria for rating and ranking applications. Applicants will have at least 30 days to submit an application.

***Application Procedure:*** Submission of Application for Housing Assistance Payments Program (Form HUD-52515).

***Award Procedure:*** The HUD Grants Management Center generally makes the final decision based on the results of the rating and ranking process. Welfare-to-Work vouchers were awarded through a national competition.

***Deadlines:*** Applications should be submitted in accordance with the time frame stated in the NOFA.

***Range of Approval/Disapproval Time:*** Generally 45 days from the date of receipt and approval of applications.

***Appeals:*** None.

***Renewals:*** Expiring increments of Section 8 housing choice voucher assistance are automatically renewed by HUD.

**Assistance Considerations:**

***Formula and Matching Requirements:*** There are no matching requirements.

***Length and Time Phasing of Assistance:*** New funding is provided for 12 months.

**Financial Information:**

**Obligations:** FY 01 \$11,314,858,525; FY 02 est \$12,017,848,491; and FY 03 est \$12,990,589,180.

**Range and Average of Financial Assistance:** Amount necessary for the PHA to pay housing assistance payments and cover related administrative expenses. The housing assistance payment is generally the difference between the lower of the gross rent or the local payment standard and 30 percent of the family's adjusted income. The family may choose to rent a unit for more or less than the payment standard. When initially leasing a unit where the gross rent exceeds the payment standard, a family may not pay more than 40 percent of adjusted monthly income.

**Program Accomplishments:**

As of September 30, 2001, there were approximately 1,900,000 vouchers available under this program to assist eligible families. Estimated fiscal year 2002, there were 2,000,000 vouchers available under this program to assist eligible families.

**Regulations, Guidelines and Literature:**

24 CFR 982; Section 8 Rental Certificate, Rental Voucher and Moderate Rehabilitation Programs Forms, Legal Contracts, and Publications Handbook, 7420.8; Housing Choice Voucher Program Guidebook, 7420.10G.

**Information Contacts:**

**Regional or Local Office:** HUD Office listed in the Catalog Address Appendix IV that has jurisdiction over the area in which the dwellings are located.

**Headquarters Office:** Office of the Public and Assisted Housing Delivery, Department of Housing and Urban Development, Washington, DC 20410. Telephone: (202) 708-0477. Use the same number for FTS.

**Web Site Address:** <http://www.hud.gov/progdesc/pihindx.cfm>.

## MASTER LEASING

### *An Introduction*

#### **Introduction**

The definition of a master lease, taken from the San Francisco Real Estate Agents Glossary, is “a controlling lease in an apartment or office building that controls subleases.” For homeless housing purposes, a master lease occurs when a local government agency or a nonprofit takes over the lease for an entire building or set of units. Through the master lease, the building owner may be paid a flat rate regardless of occupancy levels, and the responsibility for maintenance, property management, and the selection of clients may rest with the non-profit.

#### **Benefits**

Master leasing has many benefits. First and foremost, master leasing benefits the client. Master leasing enables very low-income people with bad credit and eviction histories to lease apartments. This is especially beneficial for the hardest to serve population – the mentally ill who are living on the streets with no rental history. Master leasing is a way to get the hardest to serve off of the streets and into apartments. In addition, master lessors can use their properties to rent to persons with Section 8 vouchers, so Section 8 recipients do not have to lose their vouchers in a tight housing market.

Master leasing enables the nonprofit or local government unit to preserve the affordability of the units by providing subsidies. Additionally, service delivery is strengthened by combining the master lease program with a continuum of additional support services such as substance abuse treatment, enrollment in an employment plan, case management and money management services. Through master leasing, the government and nonprofits are able to improve safety and health standards. Master leasing provides an opportunity to upgrade the management of buildings, thereby reducing the likelihood of incidents such as tragic fires.

Property owners may feel safer renting to a master lessor than to a low-income family or person. Many landlords reject low-income renters because they are afraid the renter will miss rent payments. Under a master leasing program, the master lessor is responsible for the rent, thus the building owner is shielded from the risk that low-income tenants will be unable to make regular rent payments. Some landlords may reject renters based on stereotypes of low-income renters or discrimination. The landlord's fears or biases may be quashed, however, by renting to a master lessor who will then rent to low-income tenants.

Agencies looking to master lease may have difficulties finding landlords that will work with them. Master lessors try to lease apartments at a lower rate than the unit will be rented at, to help pay the costs of property management. This is a problem in the Bay Area, where apartments can be rented for top dollars. However, some master lessors have found that if they hold on to a property for a long period of time, the landlord will raise the rent less often than with regular tenants.

**One selling point for master leasing is that sometimes smaller landlords do not want to deal with the hassles of leasing, like handling tenant problems and repairs. With master leasing, the** tenants just call the master lessor and the master lessor will do most of the repairs and manage most tenant problems, leaving the landlord out. The master lessor is also responsible for finding new tenants.

The goal for master lessors is to stabilize people so that the landlord will be able to transfer the lease into the tenant's name. Once a tenant is able to pay utilities, get along with neighbors, and prove that he or she can handle the responsibilities of renting an apartment, the landlord may be willing to lease directly to the tenant.

One drawback for master lessors is that many times the master lessor is not able to collect much of the security deposit money from tenants because oftentimes the tenant is not financially able to pay the deposit. Unfortunately, sometimes the tenants do significant damage to the units, leaving the master lessor to pay for repairs. Another disadvantage for the master lessor is that many tenants, especially mentally ill tenants, require more time from the property manager than regular tenants do.

### **Some Tips from Experienced Master-Leasers**

**The San Francisco Department of Public Health**

- Work with building owners that you can trust or that have a good reputation; look out for red flags; deal with owners who you think will be responsive to the terms of the contract.
- Find buildings that are almost empty, or marginally used, or illegally used, or a nuisance or fire damaged because you don't want to replace one affordable housing program with another.
- You want the owner out of the picture – don't rely on the owner for the day-to-day stuff.
- Owner does most repairs – owners should be making repairs anyway.
- One provider (San Francisco Department of Public Health) built a medical unit on the ground floor of one unit.
- Owners made over \$1 million in repairs to two building in order to contract with the city.
- The best scenario is where you can get a decent building, have the owner do minor rehab, and you can have your program up and running quickly.
- What's in it for the owner? They get a building that they can walk away from for 10 years and get good property management – the building is truly taken care of for 10 years because the city contracts with good management companies.
- Owners are dealing with multiply-diagnosed clients and sometimes not prepared for that.
- Use general fund money from the county, have gotten a few grants. Also re-directing funds to this program.

### **First Place Fund for Youth, Alameda County Foster Youth Alliance, Oakland, CA**

- Advantages of Master Leasing vs. Owning
  - Enables agency to secure housing immediately
  - Allows tenants to be integrated in broader community through scattered site model
  - Enables agencies to terminate relationship with landlord if no longer need unit, money dries up or unit is inappropriate
- Disadvantages of Master Lease Housing
  - Agency has not protections from steadily increasing rents
  - Agency has no more rights than another tenant – can be evicted
  - Agency bears risks and burdens with regard to evictions, property damage, etc.
- Use all housing sources: non-profit, private, etc.
  - Prepare prior to securing units. . . understand fair housing laws!
  - Avoid discrimination in application/selection of tenants
  - Conduct fair housing audits of all materials: rental agreement, program policies

- Become intimately familiar with fair eviction proceedings
- Prepare materials and know your power!
  - Guaranteed rent paid directly to landlord – no chasing tenants
  - Guaranteed deposit
  - You bear risk, cost and burden of eviction process
  - Presence in the apartment to make sure it is well kept
  - Immediate and appropriate responsiveness to landlord concerns
  - Can help non-profit developers meet AMI targets
- Separate property management from case management functions internally
- Conduct regular visits to the apartment
- Respond immediately to landlord concerns
- Support services are key! – 50% of budget
- Prepare staff for inevitable evictions

**AN EVALUATION OF THE  
LOS ANGELES SECTION 8 HOMELESS PROGRAM**

**Prepared by CORO Fellows:**

**Lisa Jacobsen**

**John Ramirez**

**Lisa Yesson**

**Linda Yeung**

**Prepared for:**

**Shelter Partnership, Inc.**

**Housing Authority of the City of Los Angeles**

**California Community Foundation**

**June 1992**

## TABLE OF CONTENTS

I.	Executive Summary	1
II.	Objectives and Methodology	2
III.	Background	4
IV.	Program Design	6
V.	Process	7
VI.	Quantitative Analysis	9
VII.	Agency Comments	11
VIII.	Families Survey	12
IX.	Conclusions	16

## **I. Executive Summary**

The Los Angeles Section 8 Homeless Program was created in 1990 by the Housing Authority of the City of Los Angeles (HACLA), with the assistance of Shelter Partnership, to help place homeless families and disabled individuals in permanent housing.

The Section 8 Homeless Program is unique in several ways. First, the program joins two spheres of activity that traditionally have not been offered together: housing placement and social services. Second, the program entails an innovative contractual relationship between a public housing authority and community based non-profit organizations for the delivery of housing support services. Finally, HACLA created a special unit within their Section 8 office to work with the participating community service agencies to significantly expedite the evaluation of homeless families' applications.

Urban Associates, a consulting group affiliated with the CORO Foundation, was asked by Shelter Partnership to conduct an evaluation of the Section 8 Homeless Program. Our evaluation focused specifically on the experience of homeless families receiving Section 8 support, rather than individuals. We studied the program on two levels: from the community service agency's perspective and the homeless family's perspective.

At the agency level, we analyzed data both quantitatively and qualitatively. Quantitatively, we collected and reviewed program outcomes from each of the 11 participating agencies. Qualitatively, we surveyed agencies to assess the differences between a service-based provider and shelter-based provider and to analyze the different service approaches of some of the participating agencies. The surveyed agencies included Beyond Shelter, Harbor Interfaith, and Watts Labor Community Action Committee (WLCAC). At the family level, we interviewed 31 families at three different phases of the program: (1) before housing placement, (2) within six months

of housing placement, and (3) after six months of housing placement. From these interviews, we were able to obtain information about the families' experiences with the Program in general and, more specifically, with both shelter- and service-based providers.

## **I. Executive Summary**

The Los Angeles Section 8 Homeless Program was created in 1990 by the Housing Authority of the City of Los Angeles (HACLA), with the assistance of Shelter Partnership, to help place homeless families and disabled individuals in permanent housing.

The Section 8 Homeless Program is unique in several ways. First, the program joins two spheres of activity that traditionally have not been offered together: housing placement and social services. Second, the program entails an innovative contractual relationship between a public housing authority and community based non-profit organizations for the delivery of housing support services. Finally, HACLA created a special unit within their Section 8 office to work with the participating community service agencies to significantly expedite the evaluation of homeless families' applications.

Urban Associates, a consulting group affiliated with the CORO Foundation, was asked by Shelter Partnership to conduct an evaluation of the Section 8 Homeless Program. Our evaluation focused specifically on the experience of homeless families receiving Section 8 support, rather than individuals. We studied the program on two levels: from the community service agency's perspective and the homeless family's perspective.

At the agency level, we analyzed data both quantitatively and qualitatively. Quantitatively, we collected and reviewed program outcomes from each of the 11 participating agencies. Qualitatively, we surveyed agencies to assess the differences between a service-

based provider and shelter-based provider and to analyze the different service approaches of some of the participating agencies. The surveyed agencies included Beyond Shelter, Harbor Interfaith, and Watts Labor Community Action Committee (WLCAC). At the family level, we interviewed 31 families at three different phases of the program: (1) before housing placement, (2) within six months of housing placement, and (3) after six months of housing placement. From these interviews, we were able to obtain information about the families' experiences with the Program in general and, more specifically, with both shelter- and service-based providers.

After examining the Program over a five-week period, we have concluded that the Los Angeles Section 8 Homeless Program has been highly successful in the placement and retention of homeless families in subsidized housing. As of January 1992, 821 families had been issued Section 8 certificates and vouchers, and 780 of these families were either contracted or working toward signing a housing contract. Once stabilized in housing with affordable rent, families have the opportunity to begin focusing on aspects of their lives such as child care, job training, education, employment, and new careers. In sum, they are closer to becoming self-sufficient and able to maintain permanent housing over the long run.

...

## **IX. Conclusions**

### Agency Approach

To address our initial question regarding a comparison of shelter-based and service provider models for provision of permanent housing services for homeless families, it appears that either approach can work. The more critical agency-related factor in helping families obtain and remain in Section 8 assisted housing seems to be a service approach that assists families in obtaining the financial and logistical support needed to achieve a stable life in a house or apartment. While successful agencies did not seem to

want to "run the lives" of the families, they did take a very strategic and active approach to maximizing the family's immediate income through public benefits advocacy and forced savings plans, helping the family locate housing within the allocated time period, and overcoming any barriers inhibiting the family from paying their rent once they are in housing.

The policy of having each family work with the same case manager from initial intake through program completion is beneficial, because an ongoing and supportive relationship between the case manager and family can develop. Many of the families who consistently worked with the same case manager reported the importance of having the case manager available to help overcome any problems that might be encountered.

Finally, we believe it is important for agency staff to provide logistical support in locating landlords willing to accept Section 8 certificates or vouchers, and in developing working relationships with as many of these landlords as possible. Although these landlord networks were an important resource for approximately half of the families we interviewed, we believe these networks will be even more important in the future. At present, a significant part of a family's ability to find landlords who are willing to accept Section 8 payments is due to the currently depressed residential housing market. When the market begins to improve and the rental supply begins to tighten, it will become more difficult for families to independently find landlords who will be willing to take the certificates and vouchers.

### General Conclusions

After having examined the Los Angeles Section 8 Homeless Program over a five week period, we have concluded that the Program has been largely successful in placing families in Section 8 subsidized housing. To date, 821 families have been issued Section 8

certificates and vouchers and 780 of these families are either contracted or working toward signing a housing contract. The families we talked to were extremely enthusiastic about having a roof over their heads and an affordable monthly rent that is approximately 30 percent of their income. Instead of having to spend a great deal of their energy on obtaining or maintaining housing, their newfound stability gives these families the opportunity to begin focusing on aspects of their lives such as child care, job training, education, employment, and new careers. Families no longer have to spend all of their time navigating an "economy of makeshift" to secure minimum shelter, food and clothing. The families have also been able to create an infinitely more stable home environment for their children. Children were being enrolled in school, and we were told repeatedly that for the first time, the children had their own rooms, yards or neighborhoods to play in, and overall a much happier home life. Presently, the vast majority of the families we interviewed seem to be securely situated in their rental units. Of the 31 families we interviewed, only three appeared to be in imminent danger of losing their homes.

The Section 8 Homeless Program's approach of combining the provision of affordable housing with comprehensive case management service, is consistent with the recommendations of numerous studies on how to break the cycle of homelessness among families. Research such as the Edna McConnell Clark Foundation's *Families on the Move*, the Better Homes Foundation's *Community Care for Homeless Families: Program Manual*, and *Intensive Case Management Services Program Description*, prepared for the Center for the Study of Family Policy, have found that, for many families, finding housing is only the first step toward achieving stability and self-sufficiency. These studies advocate a case management model that is designed as a strictly time-limited intervention focused on the transition period before, during, and immediately following a move, the time when families are trying to adapt to their new surroundings and circumstances. Families also bring a wide range of financial, bureaucratic, and personal challenges to their new dwelling. In these studies, facilitating a family's connection with community-based services that provide basic necessities such as education, health care and income supports is identified as a critical support for a successful transition to stable, permanent housing.<sup>1</sup>

Because the Program has been in existence for just over one year, it is too soon to evaluate the long-term ability of participating families to maintain their housing. A follow-up study, done at a later date, would be useful in more accurately determining whether families are able to stay housed over a period of years. However, our observations indicate that these families are predominantly stable in their permanent housing and are moving at least a few steps closer to being self-sufficient and maintaining permanent housing.

---

<sup>1</sup> Bassuk, Ellen, Rebecca Carman, Linda Weinreb, Margaret Herzig, *Community Care for Homeless Families; A Program Design Manual*. The Better Homes Foundation, 1990; Greenblat, Sarah, David Tobias, *Intensive Case Management Services Program Description*. Center for the Study of Family Policy, Hunter College, 1990; Kim Hopper, Susan Notkin, Beth Rosenthal, *Families on the Move*, The Edna McConnell Clark Foundation, 1990.

**Program**                    **VA Homeless Providers Grant and Per Diem Program**

**Federal Agency**        **Veterans Health Administration, Department of Veterans Affairs**

**OBJECTIVES:**

To assist public and nonprofit private entities in establishing new programs and service centers to furnish supportive services and supportive housing for homeless veterans through grants that may be used to acquire, renovate or alter facilities, and to provide per diem payments, or in-kind assistance in lieu of per diem payments, to eligible entities which established programs after November 10, 1992 that provide supportive services and supportive housing for homeless veterans. (Note: The number of vans was limited to 20 for the life of this grant. This Van Restriction has not been lifted.)

**TYPES OF ASSISTANCE:**

Project Grants.

**USES AND USE RESTRICTIONS:**

The Homeless Veterans Comprehensive Service Programs Act of 1992 (Public Law 102-590) established the VA Homeless Providers Grant and Per Diem Program. The Act authorizes VA to assist public or non-profit private entities with partial funding for "bricks and mortar" to create supportive housing or services centers or to purchase vans for outreach and transportation. The Act also authorizes VA to partially fund operating expenses for these facilities through per diem payments.

**ELIGIBILITY REQUIREMENTS:**

***Applicant Eligibility:*** Applicants eligible for grants include public and nonprofit private entities with the capacity to effectively administer a grant; which demonstrate that adequate financial support will be available to carry out the project; and which agree to and demonstrate capacity to meet the applicable criteria and requirements of the grant program. Applicants eligible for per diem payments

include public or nonprofit private entities who are either grant recipients, or who are eligible to receive a grant. Programs eligible for coverage under per diem payments must have been established after November 10, 1992.

***Beneficiary Eligibility:*** Veterans, meaning a person who served in the active military, naval or air service, and who was discharged or released there from under conditions other than dishonorable.

#### **APPLICATION AND AWARD PROCESS:**

***Preapplication Coordination:*** Application documents include a Standard Form 424, 424C and 424D, as well as VA Form 10-0361. Once per year if funds are available for the program, VA will publish in the Federal Register a notice of fund availability, soliciting applications for the grant program and information on applications for requesting eligibility to receive per diem payments. This program is excluded from coverage under E.O. 12372.

***Application Procedure:*** The application forms required by 38 CFR 17.700, "VA Homeless Providers Grant and Per Diem Program," and furnished by the Federal agency must be used for the program.

***Award Procedure:*** Formal approval of the award of assistance is made by the Secretary of Veterans Affairs; the program is administered by Mental Health Strategic Healthcare Group.

***Deadlines:*** Deadlines for program applications are established in the notice of fund availability.

#### **ASSISTANCE CONSIDERATIONS:**

***Formula and Matching Requirements:*** Federal participation provides up to 65 percent of total project cost, with the grant recipient providing the remainder. Once funds are obligated for a grant project, VA will not increase the amount obligated.

***Length and Time Phasing of Assistance:*** For the grant program, appropriation expires at the end of each fiscal year. Length of time limitations for the per diem programs are not established, however, per diem is contingent on availability of VA program funds. Reimbursement payments are made to the recipient based on the Federal share of costs incurred.

#### **FINANCIAL INFORMATION:**

**Obligations:** (Grants) FY 01 \$20,000,000; FY 02 est \$31,653,000; and FY 03 est \$31,653,000.

**Range and Average of Financial Assistance:** \$12,610 to \$541,000.

#### **MORE INFORMATION**

**Headquarters Office:** Program Manager, VA Homeless Providers Grant and Per Diem Program, Mental Health Strategic Healthcare Group (116E), Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420. Telephone: (202) 273-8966. (This is not a toll-free number.) Toll-free 1-877-322-0334. Contacts: Victor Harris - Telephone: (202) 273-8443. Roger Casey - Telephone: 1-877-322-0334.

**Web Site Address:** <http://www.va.gov>.

**Program**                    **Runaway and Homeless Youth**

**Federal Agency**        **Administration for Children and Families, Department of Health and Human Services**

**TYPES OF ASSISTANCE:**

Project Grants.

**USES AND USE RESTRICTIONS:**

Each Basic Center program is required to provide outreach to runaway and homeless youth; temporary shelter for up to fifteen days; food; clothing; individual, group and family counseling; aftercare and referrals, as appropriate. Basic Center programs are required to provide their services in residential settings for at least four (4) youth and no more than twenty (20) youth. Some programs also provide some or all of their shelter services through host homes(usually private homes under contract to the centers), with counseling and referrals being provided from a central location. Basic Center programs shelter youth at risk of separation from the family who are less than 18 years of age, and who have a history of running away from their family. Basic Center must provide age appropriate services or referrals for homeless youth ages 18-21.

**ELIGIBILITY REQUIREMENTS:**

*Applicant Eligibility:* States, localities, private entities, and coordinated networks of such entities are eligible to apply for a Basic Center Program grant unless they are part of the law enforcement structure or the juvenile justice system. Federally recognized Indian organizations are also eligible to apply for grants as private, non-profit agencies.

*Beneficiary Eligibility:* Runaway and homeless youth and their families are the beneficiaries.

## **APPLICATION AND AWARD PROCESS:**

***Application Procedure:*** Application for Federal Assistance, Standard Form 424, is to be submitted. Specific instructions are published in the Federal Register.

***Award Procedure:*** All applications are reviewed by a panel of nonfederal experts which assigns scores according to the published criteria. The panel's scores are factored into the recommendations for funding. Scores and recommendations are reviewed by the Associate Commissioner of the Family and Youth Services Bureau, who makes recommendations to the ACYF Commissioner, who makes the final funding decisions.

***Deadlines:*** As specified in the announcement or application instructions.

***Range of Approval/Disapproval Time:*** From 60 to 90 days.

***Appeals:*** None.

***Renewals:*** Awards are generally made for 3 year project periods; funding for the second and third year is dependent upon satisfactory performance and availability of funds.

## **ASSISTANCE CONSIDERATIONS:**

***Formula and Matching Requirements:*** Federal share of grant is up to 90 percent. The nonfederal share may be in cash or in-kind. The statute contains a formula for allocation of funds by State. It is based on the population of each State under age 18 as a proportion of the national population under age 18.

***Length and Time Phasing of Assistance:*** Grants are awarded competitively for project periods of up to 3 years.

## **FINANCIAL INFORMATION:**

***Obligations:*** (Grants and Contracts) FY 01 \$48,383,100; FY 02 est \$48,362,100; and FY 03 est \$48,393,100.

***Range and Average of Financial Assistance:*** From \$100,000 to \$200,000; \$120,000.

**MORE INFORMATION:**

***Headquarters Office:*** Associate Commissioner, Family and Youth Services Bureau, Administration for Children and Families, Department of Health and Human Services, 330 C Street, SW., Washington, DC 20447. Contact: Harry Wilson. Telephone: (202) 205-8102. FTS is not available.

***Web Site Address:*** <http://www.acf.dhhs.gov/programs/fysb>.

Program	Youth: Independent Living Program Transitional Housing Placement Program STEPS
State Agency	California Department of Social Services

### Independent Living Program: 30% Housing Allowance

The John H. Chafee Foster Care Independence Act of 1999 makes funds available for current and former foster youth up to age 21 to enhance their planning and preparation for independent living. Grants are offered to States who submit a plan to assist youth in a wide variety of areas designed to support a successful transition to adulthood. Services offered youth under the ILP include: independent living skills classes providing youth with knowledge about securing a job, money management, making decisions and choices, and building self-esteem; skills training; financial assistance with college or vocational schools. In addition to the Independent Living Program, youth in certain counties are learning intensified life skills while participating in a Transitional Housing Placement Program.

Recently, the Act created a provision whereby up to thirty percent (30%) of each year's allocation may be used for **housing assistance** for former or current foster youth from 18 up to 21 years of age.<sup>1</sup> While the Act allows these funds to target youth who have either aged-out or left the foster care system, regardless of the recentness of their contact, it does not allow any of the housing assistance funds to go toward youth under the age of 18.

However, CFCIP funds can be supplemented by funds and services from other programs, including HUD, to extend their reach.<sup>2</sup> For example, Supportive Housing Programs (SHP) funds may be used for homeless youth who have left foster care in conjunction with these funds. Recently enacted legislation enables youth aging out of foster care to receive time-limited Section 8 vouchers (up to 18 months) under Family Unification Program (FUP), which can also be used in conjunction with CFCIP funds.<sup>3</sup> Please note that CFCIP funds are generally unavailable for the acquisition of real property.<sup>4</sup>

States who have chosen to use CFCIP funds towards housing assistance have struggled with several issues. In summary, whether to provide very limited housing assistance to a large number of young people (i.e. money for security deposit on an apartment), or a

---

<sup>1</sup> See, 477 CFCIP section (b)(3)(B)

<sup>2</sup> “Frequently Asked Questions II: About the Foster Care Independence Act of 1999 and the John H. Chafee Foster Care Independence Program,” The National Foster Care Awareness Project (NFCAP) Website: [www.casey.org](http://www.casey.org)

<sup>3</sup> The Child Welfare League of America is developing models to assist these collaborations and Colorado DHS currently has a transitional living program based on this model.

<sup>4</sup> “Child Welfare Policy Manual, (Independent Living section)”, Children's Bureau's, updated November 22, 2002. Website: [www.acf.hhs.gov/programs/cb/laws/cwpm/index.jsp](http://www.acf.hhs.gov/programs/cb/laws/cwpm/index.jsp)

more complete package of room and board to a smaller number of youth and the issue surrounding maintain open cases on young people over the age of 18 for the purpose of providing housing and other assistance. The law allows for housing to be provided for youth, former or current foster care participants, aged 18 to 21, and does not allow barring youth because they choose not to voluntarily remain under the foster care system.

### **California Community Colleges Foundation**

CDSS contracts with the Community College Foundation to provide an ILP via 52 community colleges throughout the State for current and former foster youth aged 16-21. In addition to life skills and self-sufficiency education, this program also focuses on college and career preparation. Nowadays, an essential skill for success in college or a career is proficiency in computer and Internet use. Whether it is learning how to find a job, research for a class report, or accessing financial aid for college, knowing how to use the Internet will remain an invaluable tool throughout their adult years.

- \* Transitional Housing Placement Program
- \* Additional Related Resources
- \* California Youth Connection

### **Transitional Housing Placement Program**

In addition to participating in the Independent Living Program (ILP), some foster youth participate in THPP. The THPP is a community care licensed placement opportunity for youth in foster care. The goal of THPP is to help participants emancipate successfully by providing a safe environment for youth to practice the skills learned in ILP. Participants may live alone, with departmental approval, or with roommates in apartments and single-family dwellings with regular support and supervision provided by THPP agency staff, county social workers, and ILP coordinators. Support services include regular visits to participants' residences; educational guidance, employment counseling and assistance reaching emancipation goals outlined in participants; transitional independent living plans, the emancipation readiness portion of youths' case plan.

While each county has its own policies, at a minimum, applicants must meet certain criteria. They must be at least 16 years old and not more than 18 years old, unless they are in all probability, going to finish high school before their 19th birthday. They must be in out-of-home placement under the supervision of the county department of social services or the county probation department, and actively participating in an ILP.

Twenty-four counties have approved THPPs. They are Alameda, Butte, Contra Costa, El Dorado, Los Angeles, Mendocino, Modoc, Monterey, Orange, Riverside, San Bernardino, San Diego, San Francisco, San Joaquin, San Luis Obispo, Santa Clara, Santa Cruz, San Joaquin, Shasta, Siskiyou, Sonoma, Stanislaus, Ventura and Yolo. Former Foster Youth Housing.

There are more than 100 housing programs statewide for which emancipated foster youth are eligible. For information about available programs contact the local county Independent Living Program coordinator.

**California's STEP (Supportive Transitional Emancipation Program): Transitional Housing Services for Emancipated Foster Youth**

The purpose of the Supportive Transitional Emancipation Program (STEP) is to provide financial assistance for those youth who have emancipated from the foster care system and are in need of financial assistance. In order to be eligible for a STEP payment, a youth must meet several requirements, such as age requirements, and foster care status.<sup>5</sup>

County participation in the STEP program is optional<sup>6</sup>, if they choose to participate, the County should file a Letter of Intent with the California Department of Social Services (CDSS) no later than April 1<sup>st</sup> of each year.<sup>7</sup> If the County participates, an entitlement program is created, meaning that once a county decides to participate, it must serve all eligible youth. Also, if every county in California chooses to participate in STEP, the state must put up the matching funds (40%) regardless of how much was set aside in the state budget.

Related, new legislation (AB 1119) eliminates the requirement that a former foster youth be receiving aid payments under STEP in order to be eligible for Transitional Housing Placement plus Program (THPP-Plus) services. This enables counties that do not offer STEP to participate in the THP-Plus. THPP-Plus is a transitional housing placement program for emancipated foster youth ages 18 to 21 that uses state and county funds.

*For your information*, please note that pending legislation (AB 2651) seeks to require the Department of Human Services to adopt regulations prohibiting discrimination based upon the sexual orientation and HIV or AIDS status against potential foster parents, foster youth, or foster care staff.

The STEP provides assistance payments to emancipated foster youth 18 to 21 years old if they are participating in an educational or training program, or any activity consistent with their STEP Transitional Independent Living Plan (TILP).

- \* The STEP rate is equal to the basic foster care rate.
- \* Counties are required to provide 60% matching funds.
- \* Participation in STEP is a county option.
- \* Youth receiving Kinship Guardianship Assistance Payments (Kin-GAP) are also eligible for the STEP when they emancipate.

---

<sup>5</sup> See 90-210 Step Eligibility Requirements, website: [www.dss.cahwnet.gov/ord/Supportive\\_706.htm](http://www.dss.cahwnet.gov/ord/Supportive_706.htm)

<sup>6</sup> See id. for County Requirements.

<sup>7</sup> According to California Youth Connection ([www.calyouthconn.org](http://www.calyouthconn.org)), the following counties are participating in STEP: Alameda, Alpine, Los Angeles, Marin, Mariposa, Napa, Orange, San Joaquin, Shasta, and Ventura.

For additional information:

Independent Living Program  
Child & Youth Permanency Branch  
California Department of Social Services

744 P Street, MS 19-70  
Sacramento, CA 95814  
(916) 324-5809

www. <http://www.childsworld.ca.gov>

Program  
Federal Agency

**Transitional Living Program for Homeless Youth**  
**Administration for Children and Families, Department of Health and Human Services**

**Objectives:** The overall purpose of the Transitional Living Program (TLP) for Homeless Youth is to establish and operate transitional living projects for homeless youth, including pregnant and parenting youth. This program is structured to help older homeless youth achieve self-sufficiency and avoid long-term dependency on social services. Transitional living projects provide shelter, skills training, and support services to homeless youth, including pregnant and parenting youth, ages 16 through 21 for a continuous period not exceeding 18 months.

**Uses and Use Restrictions:** Transitional Living Programs are required to provide youth with stable, safe living accommodations and services that help them develop the skills necessary to move to independence. Living accommodations may be host family homes, or "supervised apartments." (Supervised apartments are either agency-owned apartment buildings or "scattered site" apartments, which are single-occupancy apartments rented directly by young people with support from the agency.)

**ELIGIBILITY REQUIREMENTS:**

**Applicant Eligibility:** States, localities, private entities, and coordinated networks of such entities are eligible to apply for a Transitional Living Program grant unless they are part of the law enforcement structure or the juvenile justice system. Federally recognized Indian organizations are also eligible to apply for grants as private, nonprofit agencies. Faith-based organizations and small community-based organizations are eligible to apply.

**Beneficiary Eligibility:** Homeless youth (ages 16 to 21).

**Credentials/Documentation:** Nonprofit organizations must submit proof of nonprofit status. Applicable costs and administration procedures will be determined in accordance with Parts 74 and 92 or Title 45, Code of Federal Regulations.

**APPLICATION AND AWARD PROCESS:**

**Application Procedure:** Application for Federal assistance, Standard Form 424, is to be submitted. Specific instructions published in the Federal Register.

**Award Procedure:** All applications are reviewed by a panel of nonfederal experts, which assigns scores according to the published criteria. The panel's scores are factored into the recommendations for funding. Scores and recommendations are reviewed by the Associate Commissioner of the Family and Youth Services Bureau, who makes recommendations to the ACYF Commissioner, who makes the final funding decisions.

**Deadlines:** As specified in the announcement or application instructions.

**Range of Approval/Disapproval Time:** From 60 to 90 days.

**Appeals:** None.

**Renewals:** Awards are made for 5-year project periods; funding for second and third years is dependent upon satisfactory performance, availability of funds and determination that continued funding would be in the best interest of the government.

**Criteria for Selecting Proposals:** Information is provided in Federal Register Announcement Soliciting Applications. Organizations with experience in providing services to homeless youth are given priority.

**Examples of Funded Projects:** In fiscal years 2001, 112 grants were awarded. In fiscal year 2002 it is anticipated that 234 grants will be awarded and 171 grants will be awarded in FY 2003.

**Range and Average of Financial Assistance:** From \$100,000 to \$200,000; \$150,000.

**FINANCIAL AND ADMINISTRATIVE INFO:**

**Obligations:** (Grants and Contracts) FY 01 \$20,739,900; FY 02 est \$39,739,900; and FY 03 est \$39,739,900.

**Formula and Matching Requirements:** Grantee must provide matching funds equal to at least 10 percent of the Federal share. The nonfederal share may be in cash or in-kind. (There are certain exceptions for Tribes with "638" funding pursuant to P.L. 93-638, under which certain Federal grants funds may qualify as matching funds for other Federal grant programs, e.g., those which contribute to the purposes for which grants under section 638 were made). The non-Federal share may be met by cash or in-kind contributions, although applicants are encouraged to meet their match requirements through cash contributions. Therefore, a five-year project costing \$1,000,000 in Federal funds(based on an award of \$200,000 per 12-month budget period) must include a match of at least \$100,000 (\$20,000 per budget period).

**Length and Time Phasing of Assistance:** Grants are awarded competitively for project periods of 3 to 5 years.

#### **MORE INFORMATION**

**Headquarters Office:** Associate Commissioner, Family and Youth Services Bureau, Administration for Children and Families, 330 C Street, SW., Washington, DC 20447. Contact: Harry Wilson. Phone: (202) 205-8102. Use the same number for FTS.

**Web Site Address:** <http://www.acf.dhhs.gov/programs/fysb>

**Program**                    **Rural Housing and Economic Development (RHED)**

**Federal Agency**        HUD

**Purpose:**

The Rural Housing and Economic Development (RHED) Program provides for capacity building at the State and local level for rural housing and economic development and to support innovative housing and economic development activities in rural areas.

**Type of Assistance:**

Funds made available under this program are awarded competitively on an annual basis, through a selection process conducted by HUD in consultation with the U.S. Department of Agriculture.

**Eligible Grantees:**

Eligible applicants are local rural non-profits, community development corporations (CDCs), state housing finance agencies (HFAs), state community and/or economic development agencies, and federally recognized Indian tribes.

**Eligible Activities:**

Funds are available in 2 categories, Capacity Building and Support for Innovative Housing and Economic Development activities. Capacity building involves the enhancement of existing organizations to carry out new functions and/or perform more effectively existing functions. Possible activities include hiring and training staff, purchasing software and other tools, obtaining expertise from outside sources, developing an accounting system, conducting asset inventories, developing strategic plans, and seeking technical assistance.

Support for Innovative Housing and Economic Development activities include preparation of plans, architectural drawings, acquisition of land and buildings, demolition, provision of infrastructure, purchase of materials, construction, use of local labor markets, and job

training. Other possible activities include homeownership and financial counseling; application of innovative construction methods; provision of financial assistance to homeowners, businesses, and developers; and the establishment of CDFIs, lines of credit, revolving loan funds, microenterprises, and small business incubators.

**Application:**

After HUD publishes a Notice of Funding Availability (NOFA) for the Rural Housing and Economic Development program, applicants must submit specific information about a proposed project or activities in their application. After HUD makes conditional selections, applicants must then submit additional information.

**Funding Status:**

FY 2002, \$25 Million appropriated, 279 applications received, 101 grants  
FY 2001, \$25 million appropriated, 331 applications received, 111 grants awarded.

**More Information**

U.S. Department of Housing and Urban Development  
451 7th Street, S.W., Washington, DC 20410  
Telephone: (202) 708-1112 TTY: (202) 708-1455

<http://www.hud.gov:80/offices/cpd/economicdevelopment/programs/rhed/qfacts.cfm>.

**Program** Rural Housing Programs  
**Federal Agency** U.S. Department of Agriculture  
**State Agency** USDA Rural Development State Office

**Single-Family Housing Direct Loan**  
**(SFH 502 Loan)**

**Purpose:**

To make it possible for low income people to buy a modest home.

**Program Type:**

USDA makes loans to home-buyers.

**Eligible Applicants:**

Low and very low income people.

**Eligible Areas:**

Unincorporated areas, cities with populations less than 10,000, and some less than 25,000.

**Authorized Purposes:**

Buy and do needed repairs on new or existing homes. *100% financing -- No down payment required.*

**Typical Amount of Assistance:**

\$80,000-\$120,000. Up to 100% of the market value of the home.

**Rates & Terms (rates subject to change):**

6.875% fixed (or lower if subsidized); 33-38 years.

**Key to Success:**

Applicants must have good credit and stable income adequate to repay the loan. Self-Help Program available.

**When to Apply:**

Year-round

**Who to Contact:**

USDA Area Office.

-----  
**Single-Family Housing Participation Loan**

**(SFH 502 Participation)**

**Purpose:**

Enhance the ability of mortgage lenders to make loans which allow low-income people to buy a modest home.

**Program Type:**

USDA participates with a local mortgage lender in financing a home.

**Eligible Applicants:**

Low-income people.

**Eligible Areas:**

Unincorporated areas, cities with a population less than 10,000, and some with less than 25,000.

**Authorized Purposes:**

Buy and do needed repairs on new or existing homes. *100% financing -- No down payment required.*

**Typical Amount of Assistance:**

\$80,000-\$130,000. Up to 100% of the market value of the home.

**Rates & Terms (rates subject to change):**

Mortgage lender's loan is fixed for 30 years.

USDA's is 6.875% fixed (or lower if subsidized); 33-38 years.

**Key to Success:**

Mortgage lender loans 40+% of purchase price: USDA loans the rest. Applicants must have good credit and stable income adequate to repay the loan.

**When to Apply:**

Year-round

**Who to Contact:**

A participating mortgage lender, or the USDA Area Office.

**Single-Family Housing Guaranteed Loan  
(SFH Guarantee)**

**Purpose:**

Provide an incentive for mortgage lenders to make home loans to low and moderate income people.

**Program Type:**

USDA guarantees home loans made by mortgage lenders.

**Eligible Applicants:**

Mortgage lenders ... making loans to low and moderate income people.

**Eligible Areas:**

Unincorporated areas, cities with populations less than 10,000, some less than 25,000.

**Authorized Purposes:**

Purchase new and existing homes and include repairs and closing costs up to 100% of appraisal value. -- *No down payment required.*

**Typical Amount of Assistance:**

\$90,000-\$180,000. Up to 100% of the market value of the home.

**Rates & Terms (rates subject to change):**

Mortgage lender's interest rate is negotiated but is fixed. 30 years; the guarantee fee is 2%.

**Key to Success:**

*Lender-driven:* there must be a lender willing to make the loan. (USDA guarantees the loan). Applicants must have good credit and stable income adequate to repay the loan.

**When to Apply:**

Year-round

**Who to Contact:**

**Annette Joyer - GRH Coordinator**

430 G Street, Agency 4169

Davis, CA 95616-4169

Phone: (530) 792-5828

Fax: (530) 792-5838

Email: [annette.joyer@ca.usda.gov](mailto:annette.joyer@ca.usda.gov)

**Single-Family Housing Repair Loan  
(SFH 504 Loan)**

**Purpose:**

Modernize or repair a modest home.

**Program Type:**

USDA makes loans to home-owners.

**Eligible Applicants:**

Very low-income people.

**Eligible Areas:**

Unincorporated areas, cities with populations less than 10,000, and some less than 25,000.

**Authorized Purposes:**

Install or repair water or sewer hook-ups, roofing, insulation, and other housing improvements.

**Typical Amount of Assistance:**

\$20,000.

**Rates & Terms (rates subject to change):**

1%, up to 20 years.

**Key to Success:**

Applicants must have limited resources and be unable to get credit elsewhere.

**When to Apply:**

Year-round

**Who to Contact:**

The USDA Area Office.

**Single-Family Housing Repair Grant  
(SFH 504 Grant)**

**Purpose:**

To rehabilitate substandard housing to a safe, decent, and sanitary condition.

**Program Type:**

USDA-Rural Development gives grants to home owners.

**Eligible Applicants:**

Very low-income people who are 62 years or older.

**Eligible Areas:**

Unincorporated areas, cities with populations less than 10,000, some less than 25,000.

**Authorized Purposes:**

Install or repair water and sewer hook-ups, roofing, insulation, and correct other basic housing defects.

**Typical Amount of Assistance:**

\$7,500

**Rates & Terms (rates subject to change):**

Grant.

**Key to Success:**

Applicants must have limited resources. A SFH 504 grant may be combined with a SFH 504 loan.

**When to Apply:**

Year-round

**Who to Contact:**

The USDA Area Office.

**Multi-Family Housing Direct Loan  
(MFH 515 Loan)**

**Purpose:**

Develop and repair apartments for low-income tenants.

**Program Type:**

USDA makes loans for apartments.

**Eligible Applicants:**

Private developers, nonprofits, tribes, and public agencies.

**Eligible Areas:**

Unincorporated areas, cities with populations less than 10,000, some less than 25,000.

**Authorized Purposes:**

Develop new apartments or buy and renovate existing apartments.

**Typical Amount of Assistance:**

\$1,000,000 maximum.

**Rates & Terms (rates subject to change):**

6.875% fixed; 30 years with 50-year amortization

**Key to Success:**

Very competitive program. USDA can provide subsidies to keep the units affordable to low income tenants.

**When to Apply:**

Once-a-year

**Who to Contact:**

USDA State Office (Rural Housing Programs)

**Multi-Family Housing Guaranteed Loan  
(MFH Guarantee)**

**Purpose:**

Provide an incentive for commercial lending to develop and repair apartments for low-income tenants.

**Program Type:**

USDA guarantees loans made by banks.

**Eligible Applicants:**

Banks and other lenders making loans to developers, tribes, or public agencies.

**Eligible Areas:**

Unincorporated areas, cities with populations less than 10,000, and some less than 25,000.

**Authorized Purposes:**

The loans guaranteed can be used to develop new apartments or buy and renovate existing apartments.

**Typical Amount of Assistance:**

\$2,000,000.

**Rates & Terms (rates subject to change):**

Negotiated between borrower and lender.

**Key to Success:**

*Lender-driven:* there must be a lender willing to make the loan. (USDA just guarantees the loan).

**When to Apply:**

Once-a-year. Annual competition at national level.

**Who to Contact:**

USDA State Office (Rural Housing Programs)

Farm Labor Housing Direct Loan and Grant Program (FLH 514/516 Loan & Grant)

**Purpose:**

Develop and repair group housing projects for farm workers and migrant laborers.

**Program Type:**

USDA makes loans (with some grants) for labor housing.

**Eligible Applicants:**

Non-profits, public bodies (e.g., housing authorities), and farmers.

**Eligible Areas:**

No population restrictions so long as project serves farm labor.

**Authorized Purposes:**

Develop new or buy and renovate existing farm labor housing projects.

**Typical Amount of Assistance:**

\$1,000,000-\$2,000,000.

**Rates & Terms (rates subject to change):**

1% fixed; 33 years.

**Key to Success:**

Very competitive program. Grants may be included with loan funds in order to keep the farm labor housing affordable.

**When to Apply:**

Once-a-year. Annual competition at national level.

**Who to Contact:**

USDA State Office (Rural Housing Programs).

**Housing Preservation Grant  
(HPG)**

**Purpose:**

Support programs that correct access, safety, and health problems in existing homes and rental units.

**Program Type:**

USDA makes grants to support local housing rehabilitation projects.

**Eligible Applicants:**

Non-profits, tribes, and public bodies (e.g., cities and counties).

**Eligible Areas:**

Unincorporated areas, cities with populations less than 10,000 and some less than 25,000.

**Authorized Purposes:**

Any program that offers affordable assistance (loans, grants, subsidies, technical assistance, etc.) to repair low-income housing.

**Typical Amount of Assistance:**

\$80,000 - \$120,000

**Rates & Terms (rates subject to change):**

Grant.

**Key to Success:**

Very competitive program. Preference is given to projects with matching funds and targeting low income people.

**When to Apply:**

Once-a-year. Annual competition at state level.

**Who to Contact:**

USDA State Office (Rural Housing Programs)

**USDA Rural Development State Office**

430 G Street, #4169

Davis, CA 95616-4169  
(530)792-5800 (phone) - (530)792-5838 (fax) - (530)792-5848 (TDD)  
<http://www.rurdev.usda.gov/ca/housingprograms.html#SFH502L>

*Program*

*Federal Home Loan Bank Programs*

**Administering Agency**

**Federal Home Loan Bank of San Francisco**

The Federal Home Loan Bank of San Francisco, the District Federal Home Loan Bank which covers California, Arizona and Nevada, provides low-cost funds to member saving institutions for below-market loans or grants for affordable housing activities. Member banks then provide grants and below market loans to organizations for the purchase, construction, and/or rehabilitation of rental housing.

The Federal Home Loan Bank of San Francisco's programs for affordable housing are:

**Individual Development and Empowerment Account (IDEA) program:**

*Eligible Grantees*

Applications are accepted only from institutions which are current members of the Bank.

*Use of Funds*

IDEA funds are used as a grant toward the down payment and/or reasonable and customary closing costs for the purchase of a home to be used as a primary residence.

*Amount of Grant*

The Bank will provide up to \$10,000 per household, matching up to \$3 for every \$1 saved by the homebuyer.

No single application request for funds can exceed \$250,000.

*Eligible Homebuyers*

Eligible homebuyers:

- Have participated in an Individual Development Account (IDA) program or successfully completed a Family Self-Sufficiency program through their local public housing authority;
- Have an income which is 80% or less of the area median income.
- Have completed a homebuyer's counseling program provided by, or based on one provided by, an organization recognized as experienced in homebuyer counseling.
- Have saved for a minimum of 10 months toward the purchase off the housing unit.

#### *Prior Grants*

In 2002, the Bank awarded \$4.5 million in IDEA funds: \$1,498,242 to 14 FSS programs and \$2,981,300 to 23 IDA programs. In 2001, the Bank awarded \$6.6 million in IDEA funds: \$2,210,000 to 20 FSS

### **The Affordable Housing Program**

#### *Eligible Grantees*

Applications are accepted only from institutions which are current members of the Bank.

#### *Use of Funds*

AHP subsidies may be used for nearly all customary costs associated with project predevelopment, development, and lease-up. Some costs for which AHP cannot be used include:

- Capitalized operating reserves
- Processing fees charged by members for providing direct subsidies to the project

- Homebuyer counseling costs for homebuyers who do not purchase an AHP-assisted unit or if homebuyer counseling costs were covered by another funding source, including the member
- Costs associated with non-residential portions of a development project, such as support services for tenants (e.g., daycare, counseling, etc.)
- Refinancing if new affordable units are not created.

#### *Basic Project Eligibility Requirements*

- For rental projects, at least 20% of the total units in the project (income-restricted and non-income-restricted) must be set aside for very low-income households, i.e., those with incomes at or below 50% of Area Median Income (AMI).
- For owner-occupied projects, all proposed units must be targeted to households with incomes at or below 80% of AMI.
- The project must be subject to a legally enforceable retention mechanism that:
  - incorporates the income eligibility and affordability restrictions committed to in the AHP application for 15 years after project completion for rental projects and 5 years for owner-occupied projects (the "Retention Period"), and
  - satisfies the other retention and repayment requirements set forth in the AHP regulations.
- The subsidy must be likely to be drawn down by the project or be used to procure other funds for the project within 12 months of AHP approval.
- The project must demonstrate financial feasibility and the need for subsidy.
- The project must comply with fair housing laws, and the sponsor must actively market the project as defined by fair housing laws.

#### **Housing developer accesses AHP funds**

AHP funds may be available to a developer through one of the Bank's members. The developer may present its project to a Bank member to determine if the member will sponsor the project and submit the application.

#### *Amount of Grant*

The maximum amount of subsidy that may be requested for any one project is \$1 Million.

**Prior Grants**

Since 1990, the Bank's Affordable Housing Program has awarded almost \$279 million in subsidies to help create over 55,000 units of housing.

**Community Investment Program**

(The Bank also has a Community Investment Program which provides long term funding at fixed rates to develop rental housing (acquisition, rehabilitation and construction) or finance first-time home purchases for families and individuals with incomes up to 115% of the area's median income.) Fixed rate loans are available at favorable rates for up to a term of 20 years, and are available continuously.

*More Information*

<http://www.fhlbsf.com/community/>

Program Name        **Supportive Housing for the Elderly (Section 202)**

Federal Agency     **HUD**

**Summary:**

Section 202 provides capital advances to finance the construction and rehabilitation of structures that will serve as supportive housing for very low-income elderly persons and provides rent subsidies for the projects to help make them affordable.

**Purpose:**

This program helps expand the supply of affordable housing with supportive services for the elderly. It provides low-income elderly with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation, etc.

**Type of Assistance:**

This program provides capital advances to finance property acquisition, site improvement, conversion, demolition, relocation, and other expenses associated with supportive housing for the elderly. The capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years. Project Rental Assistance is used to cover the difference between the HUD-approved operating cost per unit and the tenant's rent. Project Rental Assistance contract payments can be approved up to 5 years. However, contracts are renewable based on the availability of funds. Construction on projects must start within 18 months of the date of fund reservation, with limited exceptions up to 24 months. Funds are advanced on a monthly basis during construction.

**Eligible Grantees:**

To be eligible for funding under Section 202 the applicant must be a private, nonprofit organization with prior experience in housing or related social service activities. As a minimum capital investment, the owner must deposit in a special escrow account 0.5 percent of the HUD-approved capital advance, up to a maximum of \$25,000 for national sponsors or \$10,000 for other sponsors. Government entities are not eligible for funding under this program.

Criteria for allocation of program funding include the number of elderly rental households served, the number of very low-income elderly renters in the area, and the number of very low-income elderly renters with housing problems who pay more than 30 percent of their incomes for rent.

**Eligible Customers:**

The program benefits any low-income residents age 62 years and older.

**Application:**

Applicants must submit an application for a capital advance, including a Request for Fund Reservation (HUD Form 92015-CA) and other information in response to the Notice of Fund Availability (NOFA) published in the Federal Register each fiscal year. Organizations that apply for Section 202 compete for program funds allocated to each individual HUD Field Office. Awards are usually announced in September.

**Funding Status:**

The 1995 NOFA provided \$510,518,387 in capital advances for 7,409 units; the 1996 NOFA provided \$474,370,274 in capital advances for 6,726 units; the 1997 NOFA provided \$393,821,826 in capital advances for 5,554 units. The FY 1998 Appropriations Act provides \$645,000,000 for capital advances and project rental assistance, including amendments. FY 01 \$917,256,129; FY 02 est \$1,024,151,000; and FY 03 est \$1,024,151,000.

***Range and Average of Financial Assistance:*** In fiscal year 2001, the smallest award was \$409,000, the largest award was \$12,495,200, and the average award was \$3,847,399.

**More Information:**

Prospective sponsors should contact the closest HUD Field Office for more information. Two HUD Handbooks, Supportive Housing for the Elderly (#4571.3) and Supportive Housing for the Elderly--Conditional Commitment--Final (#4571.5), are available on the Internet at <http://www.hudclips.org> or from the HUD Multifamily Clearinghouse at 1-800-685-8470. Also see notice H96-102 (HUD).

U.S. Department of Housing and Urban Development  
451 7th Street, S.W., Washington, DC 20410  
Telephone: (202) 708-1112 TTY: (202) 708-1455

<http://www.hud.gov:80/progdesc/2eldrl14.cfm>.

**Program** Self-Help Homeownership Opportunity Program (SHOP)

**Federal Agency** HUD

**Summary:**

SHOP provides funds for eligible non-profit organizations to purchase home sites and develop or improve the infrastructure needed to set the stage for sweat equity and volunteer-based homeownership programs for low-income persons and families.

**Purpose:**

SHOP funds are used for eligible expenses to develop decent, safe and sanitary nonluxury housing for low-income persons and families who otherwise would not become homeowners. Homebuyers must be willing to contribute significant amounts of their own sweat equity toward the construction of the housing units.

**Type of Assistance:**

HUD awards grants to nonprofit organizations for self-help housing projects of at least 30 homes.

**Eligible Grantees:**

National and regional nonprofit organizations or consortia with experience in using volunteer labor to build housing may apply.

**Eligible Customers:**

Eligible homebuyers are low-income families that cannot afford to buy homes at market rates but will provide a significant amount of sweat equity or volunteer labor to build one. Eligible homebuyers must apply through the local affiliate of the national or regional nonprofit organization.

**Eligible Activities:**

The only eligible expenses for SHOP funds are land acquisition and infrastructure improvements that, taken together, may not exceed an average of \$10,000 in assistance per home. Administration, planning and management development costs are eligible expenses, but may not exceed 20% of the grant amount.

**Application:**

Nonprofit organizations apply for funding through HUD's SuperNOFA process announced annually in the Federal Register.

**Funding Status:**

Fiscal year (FY) 1996, \$40 million; FY 1998, \$16,700,000; FY 1999, \$20 million; FY 2000, \$20 million; FY 2001, \$19,956,000; and FY 2002, \$22 million.

**More Information**

U.S. Department of Housing and Urban Development  
451 7th Street, S.W., Washington, DC 20410  
Telephone: (202) 708-1112 TTY: (202) 708-1455

<http://www.hud.gov:80/offices/cpd/affordablehousing/programs/shop/index.cfm>.

**Program** HOPE VI

**Federal Agency** HUD and Department of Veterans Affairs

## **Overview**

### **Eligible Applicants**

Any Public Housing Authority that has severely distressed public housing units in its inventory is eligible to apply. Indian Housing Authorities and Public Housing Authorities that only administer the Housing Choice Vouchers (Section 8) Program are NOT eligible to apply. Individuals are also NOT eligible to apply.

### **Funding Opportunities**

HOPE VI Revitalization grants fund:

- Capital costs of major rehabilitation, new construction and other physical improvements
- Demolition of severely distressed public housing
- Acquisition of sites for off-site construction
- Community and supportive service programs for residents, including those relocated as a result of revitalization efforts

HOPE VI Demolition grants fund the demolition of severely distressed public housing, relocation, and supportive services for relocated residents.

### **Grants Awarded**

Since the inception of the program, funds have been awarded to a total of 146 Housing Authorities in 37 states, the District of Columbia, Puerto Rico, and the Virgin Islands.

**More Information**

U.S. Department of Housing and Urban Development  
451 7th Street, S.W., Washington, DC 20410  
Telephone: (202) 708-1112 TTY: (202) 708-1455

<http://www.hud.gov:80/offices/pih/programs/ph/hope6/about/>

Program Loan Guarantee Program for Homeless Veterans Multifamily Housing

**Federal Agency Department of Veterans Affairs**

This new initiative authorizes VA to guarantee no more than 15 loans with an aggregate value of \$100 million within 5 years for construction, renovation of existing property, and refinancing of existing loans, facility furnishing or working capital. No more than 5 loans may be guaranteed under this program prior to November 11, 2001. The amount financed is a maximum of 90% of project costs. Legislation allows the Secretary to issue a loan guarantee for large-scale self-sustaining multifamily loans.

Eligible transitional project are those that: 1) Provide supportive services including job counseling; 2) Require veteran to seek and maintain employment; 3) Require veteran to pay reasonable rent; 4) Require sobriety as a condition of occupancy; and, 5) Serves other veterans in need of housing on a space available basis.

**Major Provisions:**

- Authorize VA to guarantee loans for construction or rehabilitation of multifamily transitional housing for homeless veterans.
- Loans may include amounts to acquire land, refinance existing loans, finance acquisition of furniture, equipment, supplies and materials, and supply working capital for the organization.
- Loan is to be made in connection with state, local government or non-governmental entity's funding or providing substantial property or services for the project.
- Loans are to be sound, taking into account the creditworthiness of the borrowing entity.
- Loans are to be secured.
- Loan amounts are not established. Loans can be up to 90 percent of the total cost of project.
- No more than 15 loans can be made, no more than 5 during the first 3 years.
- Loans are approved at the discretion of the Secretary.
- Approved loans must have supportive services, including counseling (including job counseling), and requirements that veteran seek employment, maintain strict sobriety.
- Rents shall be collected.
- The project may serve veterans that are not homeless and persons who are not veterans.

- Independent audits are required.

**More Information:**

<http://www.va.gov/homeless/>

### The Consolidated Plan and HUD Grants:

The Consolidated Plan is a HUD mandated application and strategic planning document prepared by all states and certain local government jurisdictions every year. In order to get the funds each eligible unit of government must submit a comprehensive strategic plan every 5 years with an annual update to that plan every year. The Consolidated Plan controls the use of four HUD programs administered by state and local housing officials: the HOME Program, the Community Development Block Program, the Emergency Shelter Grant Program (not profiled at this event because it is a homeless-targeted grant) and the Housing Opportunities for People with AIDS (“HOPWA”) Program. These funds are allocated to units of local government based on a formula for need.

The Consolidated Plan is intended to be a comprehensive, long-range planning document that describes housing needs and market conditions, housing strategies, and outlines an action plan for the investment of federal housing funds. The Consolidated Plan is important to those serving homeless people because it controls how federal housing funds will be used to expand affordable housing opportunities, and who will benefit from these affordable housing activities. The housing needs and housing strategies adopted in the Consolidated Plan are also intended to influence the development of other HUD mandated strategic plans – specifically the Public Housing Agency Plan prepared by the PHAs and the Continuum of Care Plan which guides the use of HUD McKinney-Vento Homeless Assistance Programs.

You can get a copy of your community’s Consolidated Plan by contacting your Public Housing Authority; many of them are on-line. The State of California’s Consolidated Plan, Annual Plan, PHA and HAP Plans are on its website: <http://www.hcd.ca.gov/hpd/hrc/rep/fed>.

<b>Program</b>	HOME Investment Partnerships Program
<b>Federal Agency</b>	HUD
<b>Administering Agency</b>	California Department of Housing and Community Development, Community Affairs

### **Federal Summary**

HOME provides formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.

### **Purpose**

HOME is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households. Each year it allocates more than \$1 billion among the States and hundreds of localities nationwide.

### **Type of Assistance**

HOME funds are awarded annually as formula grants to participating jurisdictions. HUD establishes Home Investment Trust Funds for each grantee, providing a line of credit that the jurisdiction may draw upon as needed. The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancement, or rental assistance or security deposits.

### **Eligible Grantees**

States are automatically eligible for HOME funds and receive either their formula allocation or \$3 million, whichever is greater. Local jurisdictions eligible for at least \$500,000 under the formula (\$335,000 in years when Congress appropriates less than \$1.5 billion for HOME) also can receive an allocation. Communities that do not qualify for an individual allocation under the formula can join with

one or more neighboring localities in a legally binding consortium whose members' combined allocation would meet the threshold for direct funding. Other localities may participate in HOME by applying for program funds made available by their State. Congress sets aside a pool of funding, equivalent to the greater of \$750,000 or 0.2 percent of appropriated funds, which HUD distributes among insular areas.

### **Eligible Customers**

The eligibility of households for HOME assistance varies with the nature of the funded activity. For rental housing and rental assistance, at least 90 percent of benefiting families must have incomes that are no more than 60 percent of the HUD-adjusted median family income for the area. In rental projects with five or more assisted units, at least 20% of the units must be occupied by families with incomes that do not exceed 50% of the HUD-adjusted median. The incomes of households receiving HUD assistance must not exceed 80 percent of the area median. HOME income limits are published each year by HUD.

### **Eligible Activities**

Participating jurisdictions may choose among a broad range of eligible activities, using HOME funds to provide home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers; build or rehabilitate housing for rent or ownership; or for "other reasonable and necessary expenses related to the development of non-luxury housing," including site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development, and payment of relocation expenses. PJs may use HOME funds to provide tenant-based rental assistance contracts of up to 2 years if such activity is consistent with their Consolidated Plan and justified under local market conditions. This assistance may be renewed. Up to 10 percent of the PJ's annual allocation may be used for program planning and administration.

HOME-assisted rental housing must comply with certain rent limitations. HOME rent limits are published each year by HUD. The program also establishes maximum per unit subsidy limits and maximum purchase-price limits.

Some special conditions apply to the use of HOME funds. PJs must match every dollar of HOME funds used (except for administrative costs) with 25 cents from nonfederal sources, which may include donated materials or labor, the value of donated property, proceeds from bond financing, and other resources. The match requirement may be reduced if the PJ is distressed or has suffered a Presidentially declared disaster. In addition, PJs must reserve at least 15 percent of their allocations to fund housing to be owned, developed, or sponsored by experienced, community-driven nonprofit groups designated as Community Housing

Development Organizations (CHDOs). PJs must ensure that HOME-funded housing units remain affordable in the long term (20 years for new construction of rental housing; 5-15 years for construction of homeownership housing and housing rehabilitation, depending on the amount of HOME subsidy). PJs have two years to commit funds (including reserving funds for CHDOs) and five years to spend funds.

### **Application**

Program funds are allocated to units of general local government on the basis of a formula that considers the relative inadequacy of each jurisdiction's housing supply, its incidence of poverty, its fiscal distress, and other factors. Shortly after HOME funds become available each year, HUD informs eligible jurisdictions of the amounts earmarked for them. Participating jurisdictions must have a current and approved Consolidated Plan, which will include an action plan that describes how the jurisdiction will use its HOME funds. A newly eligible jurisdiction also must formally notify HUD of its intent to participate in the program.

Descriptions of planned and recently implemented activities undertaken by individual grantees with HOME funds are described in summaries of each community's Consolidated Plan.

### **Funding Status**

FY 1996, \$1.4 billion; FY 1997, \$1.4 billion (includes \$15 million for Housing Counseling Program; FY 1998, \$ 1.5 billion (includes \$20 million for Housing Counseling, \$10 million for homeownership demonstration, and \$7 million for information systems); FY 1999, \$1.6 billion (includes \$17.5 million for Housing Counseling, \$29 million for technical assistance and \$7 million for information systems).

***Range and Average of Financial Assistance:*** \$323,000 to \$114,192,000; \$2,920,000.

Allocations by State and participating jurisdiction.

### **For More Information**

*General*-CPD publishes a general program guide and brochure on HOME. In addition, HUD has published 14 model program guides on planning and implementing specific types of HOME-funded activities, available free from Community Connections (1-800-998-9999).

*Research*-In 1995 the HUD Office of Policy Development and Research published a preliminary research report on HOME called Implementing Block Grants for Housing: An Evaluation of the First Year of HOME (HUD-6814) available from HUD USER (1-800-245-2691, TDD: 1-800-483-2209).

<http://www.hud.gov:80/offices/cpd/affordablehousing/programs/home/quickfacts.cfm>.

## **California**

### **Purpose**

Assist cities, counties and nonprofit community housing development organizations (CHDOs) to create and retain affordable housing.

### **Assistance Type**

Grants to cities and counties; low-interest loans to state-certified CHDOs operating in state-eligible jurisdictions.

### **Terms**

A 25 percent match is required, unless waived because of a Presidentially-declared natural disaster.

*Application limits are as follows:*

Projects:

- \$3.5 million for new construction rental projects that do not propose using 9% tax credits. If an applicant that proposed using 9% tax credits was previously funded from the 2000 or the 2001 HOME NOFA, and has not been disencumbered, they may apply for the difference between their award and \$3.5 million to reconstruct the project as a non-9% tax credit project.
- \$1 million for new construction rental projects that propose using 9% tax credits.
- \$1 million for rental rehabilitation projects; rental acquisition projects; and rental acquisition and rehabilitation projects.
- \$600,000 for home ownership projects

Programs:

- \$600,000 for applicants who did not miss the final milestone of calendar year 2001 (including first-time applicants)
- \$400,000 for applicants who missed the final milestone of calendar year 2001
- \$250,000 for TBRA programs

At least 50 percent of funds will be awarded to rural applicants.

Most assistance is in the form of loans by city and county recipients to project developers, to be repaid to local HOME accounts for reuse.

Repayment of loans to CHDOs is usually deferred; term is 30 years or more, and interest rate is 3 percent per annum. A minimum of 15 percent of total state HOME funds are set aside for CHDOs.

**Eligible Activities**

Housing rehabilitation, new construction, and acquisition and rehabilitation, for both single-family and multifamily projects, and predevelopment loans by CHDOs. All activities must benefit lower-income renters or owners.

**Eligible Applicants**

Cities and counties that do not receive HOME funds directly from the federal Department of Housing and Urban Development (HUD); current state-certified nonprofit CHDOs proposing activities in eligible communities.

### **Application Process**

Applications are invited through issuance of Notices of Funding Availability (NOFAs).

### **Information**

Website: <http://www.hcd.ca.gov/ca/home/>

Telephone: (916) 322-0356

Email: [home@hcd.ca.gov](mailto:home@hcd.ca.gov)

### **Funding**

FY 2002 NOFA for approximately \$57 million. HCD received 81 applications requesting over \$102.6 million for 109 housing related activities. The activities range from first-time homebuyer programs, first-time homebuyer new construction projects, owner-occupied rehabilitation programs, tenant based rental assistance programs, rental rehabilitation programs/projects, and rental new construction projects. The demand for projects exceeds 60 percent, therefore the allocation was 60 percent for projects and 40 percent for programs.

The high demand is in response to a change in the program design. In this year's NOFA, HOME increased the maximum amount a rental project could receive. The maximum amount was increased from \$1 million per rental project to \$3.5 million per project if nine percent tax credit financing was not used. The increase in the maximum limit was necessary to provide additional subsidy to off-set the foregone deep subsidy provided by nine percent tax credit financing. Of the proposed 30 rental new construction projects, 5 are proposing to use nine percent tax credits and 21 are proposing to utilize bond financing.

1999-2002 Awards are available on HCD's website.

<b>Program Name</b>	Community Development Block Grant (CDBG)
<b>Federal Agency</b>	HUD
<b>Administering Agency</b>	Local Jurisdiction or State of California, Housing and Community Development, depending on population

The Community Development Block Grant (CDBG) program is designed to ensure decent affordable housing for all, and to provide services to the most vulnerable in communities, to create jobs and expand business opportunities.

The CDBG program is broken down into several smaller parts, Entitlement Communities, Non-Entitlement Communities, (which includes both the State Administered CDBG Program and the HUD Small Cities Program [not applicable to our jurisdictions]) and Insular Areas (not applicable to our jurisdictions).

The annual appropriation for CDBG is split between states and local jurisdictions called "entitlement communities". Entitlement communities are central cities of Metropolitan Statistical Areas (MSAs); other metropolitan cities with populations of at least 50,000; and qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities). States distribute the funds to localities who do not qualify as entitlement communities.

HUD determines the amount of each grant by a formula which uses several objective measures of community needs, including the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas.

CDBG allocations by State and County and how the funds were expended are on the web at:

<http://www.hud.gov/offices/cpd/communitydevelopment/budget/disbursementreports/ca/index.cfm>

**Community Development Block Grant:  
Entitlement Communities**

**Summary:**

The CDBG program is provides annual grants on a formula basis to entitled metropolitan cities and urban counties to implement a wide variety of community and economic development activities directed toward neighborhood revitalization, economic development and the provision of improved community facilities and services. CDBG activities are initiated and developed at the local level based upon a community's perceptions of its local needs, priorities, and benefits to the community. Each entitlement grantee receiving CDBG funds is free to determine what activities it will fund as long as certain requirements are met, including that each activity is eligible and meets one of the following broad national objectives: benefit persons of low and moderate income, aid in the prevention or elimination of slums or blight, or meet other community development needs of particular urgency.

**Purpose:**

To develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for persons of low and moderate income.

**Eligible Applicants:**

Central cities of Metropolitan Areas (MAs), as designated by OMB; other cities over 50,000 in MAs, and qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities located within the boundaries of such counties).

**Application/Plan Submission Requirements:**

Each grantee must submit a Consolidated Plan, an annual action plan and certifications to HUD. The Consolidated Plan and annual action plan cover four major formula-distribution HUD community development programs, including CDBG. The annual action plan must include the local community development objectives and show the proposed use of the funds. If the grantee makes a complete submission within the established deadlines, the Department will make a grant award unless the Secretary has made a determination that one or more of the grantee's certification's is unsatisfactory.

**Application Deadline:** 45 days before the start of each grantee's program year, but no earlier than November 15 or no later than August 16 of the fiscal year for which the funds are allocated.

**Application Due Date and Time:** 45 days before the start of each grantee's program year, but no earlier than November 15 or no later than August 16 of the fiscal year for which the funds are allocated.

**Available Funds:** FY 2001- \$3,079,510,000; FY 2002 - \$3,038,700,000

**Matching Requirements:**

None required.

**Program Fund Limitations or Caps:**

No more than 20 percent of grant (plus program income) can be spent for planning and administrative costs. No more than 15 percent of the grant (plus program income received during preceding program year) can be spent for public service activities.

**Formula Computation Rules:**

The allocations for metropolitan cities and urban counties are based on a dual formula system; grantees receive the greater of two formula amounts. Formula A is based on each city/county's share of: population ( 0.25); poverty (0.50); and overcrowded housing (0.25). Formula B is based on shares of: growth lag (0.20); poverty (0.30); and pre-1940 housing units (0.50). The formula amounts are pro-rata adjusted to ensure that the total of all such amounts equals the total amount appropriated.

**Eligible Activities:**

Eligible activities include acquisition/disposition of real property; public improvements and facilities (e.g., senior citizens center, recreation center, day care center); clearance; public services (e.g., child care, health care, job training/education programs, recreation programs, drug abuse counseling/treatment, and services for homeless persons); interim assistance; relocation payments/assistance; rehabilitation of residential, commercial/industrial, or other nonprofit owned, nonresidential buildings; historic preservation; lead based paint hazard evaluation and reduction; code enforcement; special economic development; assistance to microenterprises; homeownership assistance; urban renewal completion; technical assistance to increase capacity of public/private non-profits; assistance to institutions of higher education; and program administration costs related to planning and execution of CDBG assisted activities. Eligible activities may be carried out by the grantee, or through the use of contractors or subrecipients, or through the use of Community Based Development Organizations (CBDOs). A CBDO may carry out activities that are eligible and those that are otherwise ineligible, such as new housing construction.

**Ineligible Activities:**

Buildings used for the general conduct of government, general local government expenses, and political activities.

**More Information:**

<http://www.hud.gov:80/offices/cpd/communitydevelopment/programs>

**Community Development Block Grants:  
Nonentitlement Communities  
State Administered**

Each state has opportunity to administer CDBG funds for non-entitlement areas. Non-entitlement areas include those units of general local government which do not receive CDBG funds directly from HUD as part of the entitlement program (Entitlement Cities and Urban Counties). Non-entitlement areas are cities with populations of less than 50,000, and counties with populations of less than 200,000 although some entitlement cities have a population of less than 50,000 (cities that are designated central cities of Metropolitan Statistical Areas).

**Eligible Applicants:**

State Governments. States must distribute the funds to units of general local governments in nonentitlement areas. Grantee Eligibility: Metropolitan cities and urban counties are entitled to receive annual grants. Metropolitan cities are central cities of Metropolitan Statistical Areas (MSAs) or other cities within MSAs that have populations of at least 50,000. Urban counties are within MSAs that are authorized to undertake community development and housing activities and meet certain population requirements.

**Application/Plan Submission Requirements:**

States must submit a Consolidated Plan (ConPlan), an annual action plan and certifications (form SF 424) to HUD. The Consolidated Plan and annual action plan cover four major formula-distribution HUD community development programs, including CDBG. The annual action plan must contain the method by which the State will distribute its CDBG funds.

**Matching Requirements:**

The state is responsible for the administration of all CDBG funds. The State shall pay from its own resources all administrative costs incurred by the State in carrying out its responsibilities under this subpart, except that the state may use CDBG funds to pay such costs in an amount not to exceed \$100,000 plus 50 percent of such costs in excess of \$100,000. States are, therefore, required to match such costs in excess of \$100,000 on a dollar for dollar basis. The amount of CDBG funds used to pay such costs in excess of \$100,000 shall not exceed 2 percent of the aggregate of the State's annual grant.

**Formula Computation Rules:**

Allocations are made to States for areas outside of metropolitan cities and urban counties which are automatically entitled to receive funds. Funds are awarded to nonentitled localities on a discretionary basis. A State's allotment is based on one of two formulas, whichever gives a larger allotment. The first formula is based on each State's percentage share of the total of three weighted factors: nonentitled population (25 percent), nonentitled population below the poverty level (50 percent) and the number of housing units in nonentitled areas with 1.01 persons or more per room (25 percent).

**Colonias Set-aside Provision**

HUD's colonias set-aside provision provides funds to help colonias--poor, unplanned, and generally unincorporated communities along the U.S.-Mexico border--remedy their lack of adequate sewer systems, water services, and housing. The colonias set-aside is part of the State CDBG program. In the State CDBG program, HUD makes annual grants to States, which then use the funds to make grants to units of local government. States must use their colonias set-aside to make grants to local governments to address conditions in colonias within 150 miles of the U.S.-Mexico border.

*Eligible Grantees:*

The States of Arizona, California, New Mexico, and Texas participate in the colonias set-aside provision. HUD and *colonias* representatives decide the set-aside percentage for each State. In fiscal year (FY) 1999 Arizona, New Mexico, and Texas set aside 10 percent of their State CDBG grant and California set aside 2 percent.

*Eligible Customers:*

*Colonias* residents--most of whose incomes already fall below the CDBG low- and moderate-income target--benefit broadly from the activities funded by the provision.

*Eligible Activities:*

Funds earmarked for *colonias* have the same broad range of potential uses as other CDBG allocations. Program activities must address at least one of the program's national objectives: (1) benefiting low- and moderate-income families, (2) preventing or eliminating slums or blight, or (3) meeting other urgent community-development needs. Most funds are used for water systems, sewers, and housing assistance.

**More Information:**

<http://www.hud.gov:80/offices/cpd/communitydevelopment/programs>

**State of California CDBG Grants (For Nonentitlement Jurisdictions)**

**Enterprise Fund**

**Purpose**

Create or preserve jobs for low-income and very low-income persons.

**Assistance Type**

Grants

**Terms**

Grants of up to \$500,000 to provide loans to businesses, grants for publicly owned infrastructure, and microenterprise assistance. Individual project funding decisions are made by the jurisdiction. Businesses receiving loans must create or retain private sector jobs principally for low-income and very low-income persons.

**Eligible Activities**

CDBG funds may be lent to businesses for working capital, land acquisition, equipment purchase, inventory purchase, debt restructuring, and other direct assistance. Local grants may support businesses by providing water and sewer services, access roads, and other public facilities. Microenterprise funds may provide credit or technical assistance for persons developing micro enterprises.

**Eligible Applicants**

Counties with fewer than 200,000 residents in unincorporated areas and cities with fewer than 50,000 residents that are not participants in the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) entitlement program.

**Application Procedures**

Applications for annual competitive funding rounds are invited by a Notice of Funding Availability (NOFA). The NOFA is typically released each summer. Applications are evaluated and scored on a variety of factors, which may include need, capacity, prior CDBG grant performance, and poverty in the applicant community.

**Contact**

Program Administration, (916)263-0485

**General, Native American, and Colonias Allocations**

**Purpose**

To fund housing activities, public works, community facilities, and public service projects serving lower-income people in small, typically rural communities.

**Assistance Type**

Grants.

**Terms**

Maximum grant amount: \$500,000.

**Eligible Activities**

*Housing*, including rehabilitation and activities that complement new construction.

*Public Works*, including water and wastewater systems, rural electrification, and utilities such as gas services.

*Community Facilities*, including day care centers, domestic violence shelters, food banks, community centers, medical and dental facilities, and fire stations.

*Public Services*, including staff and operating costs associated with the community facilities.

**Eligible Applicants**

*State CDBG General Fund Applicants* are non-entitlement jurisdictions, cities with populations under 50,000 and counties with populations under 200,000 in unincorporated areas that do not participate in the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) entitlement program.

*Native American Set-Aside Fund Applicants* are non-entitlement jurisdictions that apply to assist non-federally recognized Native American communities.

*Colonias Set-Aside fund Applicants* are distressed non-entitlement jurisdictions with 150 miles of the California-Mexico border.

**Application Procedures**

Applications are invited through an annual Request for Proposals (RFP).

**Contact**

Program Administration: (916) 263-0485

**Economic Development Allocation, Over the Counter Component**

**Purpose**

Create or retain jobs for low-income workers in rural communities.

**Assistance Type**

Grants

**Terms**

Grants of up to \$500,000 for eligible cities and counties to lend to identified businesses, or use for infrastructure improvements necessary to accommodate the creation, expansion, or retention of identified businesses.

**Eligible Activities**

Creation or retention of jobs for low-income workers. May include loans or loan guarantees to businesses for construction, on-site improvements, equipment purchase, working capital, and site acquisition. May also include loans for business start-ups, grants for publicly owned infrastructure, and loan or grants for small business incubators.

**Eligible Applicants**

Counties with fewer than 200,000 residents in unincorporated areas and cities with fewer than 50,000 residents that are not participants in the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) entitlement program.

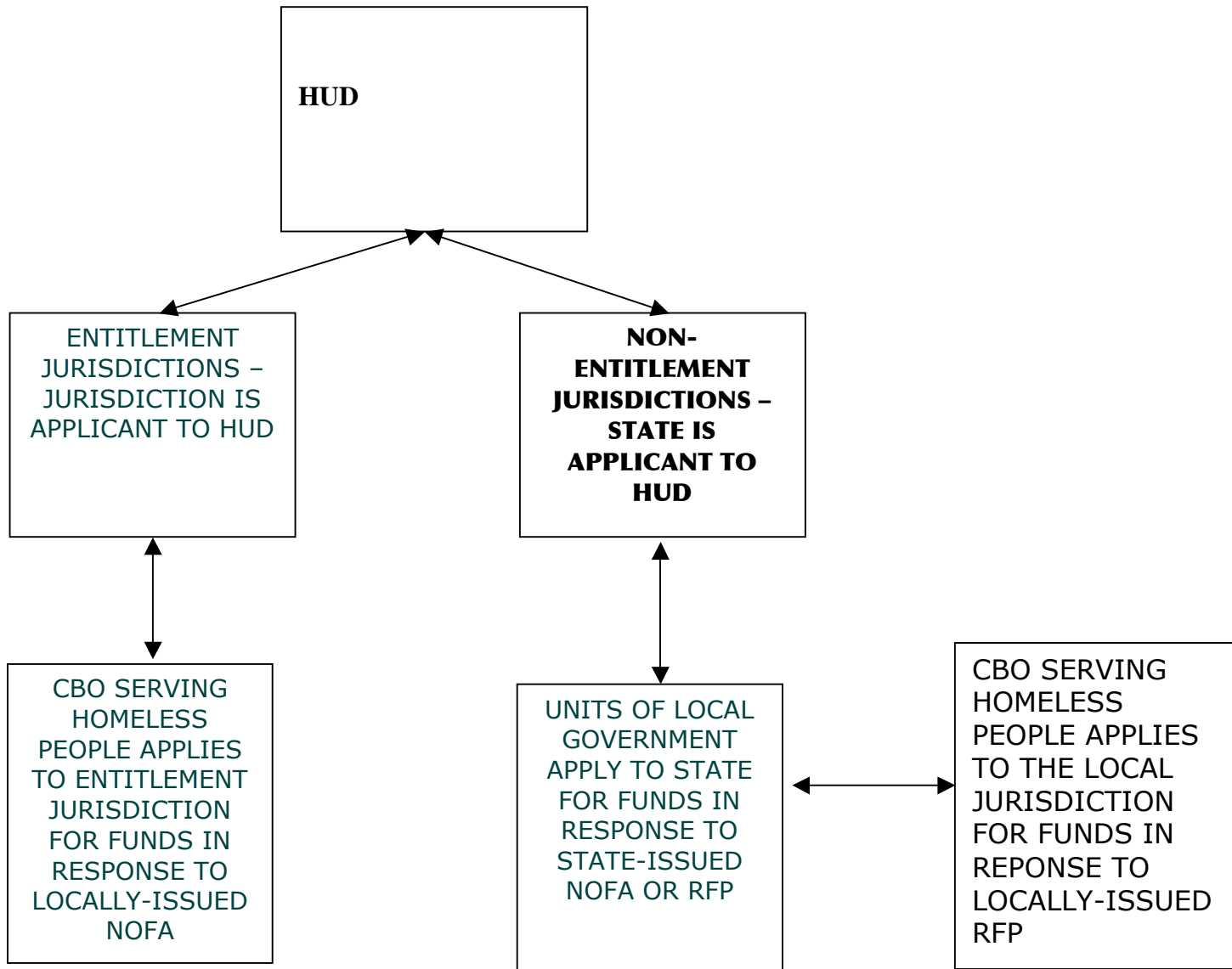
**Application Procedures**

Applications are invited by an annual Notice of Funding Availability (NOFA). Applications are continuously received and reviewed throughout the year. Awards are made on an ongoing basis, normally within 60 days of HCD receipt of a completed application.

**Contact**

Program Administration: (916) 263-0485

COMMUNITY DEVELOPMENT BLOCK GRANTS  
(As Applicable in California)



**Program** Community Development Block Grant – Loan Guarantee Provision -- Section 108

**Federal Agency** HUD

### **Introduction**

Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects.

### **Eligible Applicants**

Eligible applicants include the following public entities:

- metropolitan cities and urban counties (i.e. CDBG entitlement recipients);
- nonentitlement communities that are assisted in the submission of applications by States that administer the CDBG program; and
- nonentitlement communities eligible to receive CDBG funds under the HUD-Administered Small Cities CDBG program (Hawaii).

The public entity may be the borrower or it may designate a public agency as the borrower.

### **Eligible Activities**

Activities eligible for Section 108 financing include:

- economic development activities eligible under CDBG;
- acquisition of real property;
- rehabilitation of publicly owned real property;

- housing rehabilitation eligible under CDBG;
- construction, reconstruction, or installation of public facilities (including street, sidewalk, and other site improvements);
- related relocation, clearance, and site improvements;
- payment of interest on the guaranteed loan and issuance costs of public offerings;
- debt service reserves;
- public works and site improvements in colonias; and
- in limited circumstances, housing construction as part of community economic development, Housing Development Grant, or Nehemiah Housing Opportunity Grant programs.

For purposes of determining eligibility, the CDBG rules and requirements apply. As with the CDBG program, all projects and activities must either principally benefit low- and moderate-income persons, aid in the elimination or prevention of slums and blight, or meet urgent needs of the community.

#### **Maximum Commitment Amount**

Commitments are limited as follows:

1. Entitlement public entities. An entitlement public entity may apply for up to five times the public entity's latest approved CDBG entitlement amount, minus any outstanding Section 108 commitments and/or principal balances of Section 108 loans.
2. State assisted public entities. A nonentitlement public entity may apply for up to five times the latest approved CDBG amount received by its State, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans for which the State has pledged its CDBG funds as security.
3. Nonentitlement public entities eligible under the HUD administered Small Cities Program. For a public entity in Hawaii, the maximum commitment amount is five times the public entity's latest grant under 24 CFR 570, Subpart F, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans.

#### **Loan Security**

The principal security for the loan guarantee is a pledge by the applicant public entity or the State (in the case of a nonentitlement public entity) of its current and future CDBG funds. Additional security will also be required to assure repayment of guaranteed obligations. The additional security requirements will be determined on a case-by-case basis, but could include assets financed by the guaranteed loan.

### **Loan Repayment**

The maximum repayment period for a Section 108 loan is twenty years. HUD has the ability to structure the principal amortization to match the needs of the project and borrower. Each annual principal amount will have a separate interest rate associated with it.

### **Financing Source**

Section 108 obligations are financed through underwritten public offerings. Financing between public offerings is provided through an interim lending facility established by HUD.

### **Interest Rates**

Interest rates on interim borrowing are priced at the 3 month London Interbank Offered (LIBO) rate plus 20 basis points (0.2%). Permanent financing is pegged to yields on U.S. Treasury obligations of similar maturity to the principal amount. A small additional basis point spread, depending on maturity, will be added to the Treasury yield to determine the actual rate.

### **Loan Default**

To date, there has been no default under Section 108 resulting in a repayment by HUD. In the event of default requiring a payment, HUD would continue to make payments on the loan in accordance with its terms. The source of payments by HUD pursuant to its guarantee would almost always be pledged CDBG funds. However, HUD does have borrowing authority with the U.S. Treasury if the pledged funds are insufficient.

### **More Information**

U.S. Department of Housing and Urban Development  
451 7th Street, S.W., Washington, DC 20410  
Telephone: (202) 708-1112 TTY: (202) 708-1455

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at <http://www.hud.gov:80/offices/cpd/communitydevelopment/programs/108/factsheet.cfm>.

**Excerpts from the Statement of The Honorable Anthony J. Principi, Secretary of Veterans Affairs, Before the Committee on Veterans Affairs, United States House of Representatives**

**September 12, 2002**

**HUD – VASH Program**

In 1992, VA joined with the Department of Housing and Urban Development to launch the HUD-VASH program. **HUD-VASH was initiated to further the objectives of serving the homeless mentally ill veteran through two closely linked interventions: (1) a housing subsidy provided through HUD's Section 8 voucher program, and (2) a community-oriented clinical case management effort.** The goal of the program is to offer the homeless veteran an opportunity to rejoin the mainstream of community life, to the fullest extent possible. HUD funded three rounds of almost 600 vouchers each (a total of 1,753) for this program. At the same time VA medical centers formed clinical case management teams, usually social workers or nurses.

Through the end of FY 2001, 4,016 veterans had been served by the program, with 1,405 currently active in the program, and they had participated for an average of 3.5 years. Of veterans enrolled in the program 90% successfully obtained vouchers and 87% moved into an apartment of their own. A rigorous experimental, 3-year follow up study found that HUD-VASH veterans had 25% more nights housed than veterans receiving standard VA care and had 36% fewer nights homeless. Three years after entering the program 80% of veterans remained housed in the program.

This VA – HUD partnership, started 10 years ago, highlights the success of linking ongoing clinical care to permanent housing to assist homeless chronically mentally ill veterans.

HUD and VA have agreed to continue and, to the extent that resources will permit, expand this valuable partnership as directed by section 12 of Public Law 107-95.

**Program Name**                    Section 811 Supportive Housing for Persons with Disabilities

**Administering Agency**        HUD

**Summary:**

HUD provides funding to nonprofit organizations to develop rental housing with the availability of supportive services for very low-income adults with disabilities, and provides rent subsidies for the projects to help make them affordable.

**Purpose:**

The Section 811 program allows persons with disabilities to live as independently as possible in the community by increasing the supply of rental housing with the availability of supportive services. The program also provides project rental assistance, which covers the difference between the HUD-approved operating costs of the project and the tenants' contribution toward rent. The program is similar to Supportive Housing for the Elderly (Section 202).

**Type of Assistance:**

HUD provides interest-free capital advances to nonprofit sponsors to help them finance the development of rental housing such as independent living projects, condominium units and small group homes with the availability of supportive services for persons with disabilities. The capital advance can finance the construction, rehabilitation, or acquisition with or without rehabilitation of supportive housing. The advance does not have to be repaid as long as the housing remains available for very low-income persons with disabilities for at least 40 years.

HUD also provides project rental assistance; this covers the difference between the HUD-approved operating cost of the project and the amount the residents pay--usually 30 percent of adjusted income. The initial term of the project rental assistance contract is 5 years and can be renewed if funds are available.

The available program funds for a fiscal year are allocated to HUD's local field offices according to factors that include the number of persons age 16 years or older with a work disability and those without a work disability.

Each project must have a supportive services plan. The appropriate State or local agency reviews a potential sponsor's application to determine if the plan is well designed to meet the needs of persons with disabilities and must certify to the same. Services may vary

with the target population but could include case management, training in independent living skills and assistance in obtaining employment. However, residents cannot be required to accept any supportive service as a condition of occupancy.

**Eligible Grantees:**

Nonprofit organizations with a Section 501(c)(3) tax exemption from the IRS can apply to develop a Section 811 project if they can, among other requirements, submit a resolution that they will provide a minimum capital investment equal to 0.5 percent of the capital advance amount, up to a maximum of \$10,000.

**Eligible Customers:**

In order to live in Section 811 housing, a household which may consist of a single qualified person must be very low-income (within 50 percent of the median income for the area) and at least one member must be 18 years old or older and have a disability, such as a physical or developmental disability or chronic mental illness.

**Application:**

Applicants must submit an application for a capital advance, including a Request for Fund Reservation (Form HUD-92016-CA) and other information in response to a Notice of Funding Availability (NOFA) published in the Federal Register each year. Applications must be submitted to the local HUD field office with jurisdiction over the area where the proposed project will be located. Those selected for funding must meet basic program requirements, including nonprofit status, financial commitment, and a certification from the appropriate State or local agency that the supportive services are well designed to meet the needs of the intended residents. Awards are usually announced in September.

**Financial Information**

***Range and Average of Financial Assistance:*** In fiscal year 2001, the average award was \$1,077,494; the smallest, \$254,500; the largest \$3,775,700.

**Information Contacts**

***Regional or Local Office:*** Contact the appropriate HUD field office listed in Appendix IV of the Catalog.

**Headquarters Office:** Office of Housing Assistants and Grants Administration, Department of Housing and Urban Development, Washington, DC 20410. Telephone: (202) 708-2866. Use the same number for FTS.

**Web Site Address:** <http://www.hud.gov/progdesc/811main.cfm>.

### **Related Programs**

Supportive Housing for the Elderly; Section 8 Housing Assistance Payments Program Special Allocations

## **LOW INCOME HOUSING TAX CREDIT**

The Low Income Housing Tax Credit Program is an investment vehicle created by the federal Tax Reform Act of 1986, which is intended to increase and preserve affordable rental housing by permitting private investors (such as banks and corporations) to purchase tax credits from affordable housing developers. The housing developer then uses these proceeds, usually in conjunction with other financing to construct or rehabilitate affordable housing.

Administered in California by the California Tax Credit Allocation Committee, this program permits investors in affordable rental housing who are awarded the credit- corporations, banking institutions, and individuals - to claim a credit against their tax liability annually for a period of 10 years.

The federal government sets basic long-term affordability requirements on these projects.

Following is a description of the California program. It, as well as other information about the program is available at [www.treasurer.ca.gov/CTCAC/ctcac.htm](http://www.treasurer.ca.gov/CTCAC/ctcac.htm).

## **LOW INCOME TAX CREDITS IN JEOPARDY**

While unintended, the Bush Administration's proposal to exempt shareholders from tax on corporate dividends would jeopardize the production of low-income rental housing and community revitalization investments because the stimulus proposal effectively creates a financial disincentive for corporations to invest in Low Income Housing Tax Credit. The LITC finances more than 115,000 affordable rental homes annually. The Administration's proposal would provide a tax exemption for shareholder dividends. As a result, corporations could increase shareholder income in amounts that more than offset the tax benefit from the Housing Credit.

For more information, see the attached press release from the Non-Profit Housing Association of Northern California and LISC.

FOR IMMEDIATE RELEASE

Contact: Tina Duong  
415.989.8160 x15

## BUSH'S DIVIDEND EXEMPTION THREATENS AFFORDABLE HOUSING

SAN FRANCISCO, January 31, 2003—The Bush Administration's proposal to exempt shareholders from tax on corporate dividends would jeopardize the production of low-income rental housing and community revitalization investments, according to the Non-Profit Housing Association of Northern California (NPH) and the Local Initiatives Support Corporation (LISC), two leading affordable housing and community development non-profit agencies. The proposal effectively creates a financial disincentive for corporations to contribute to the nation's primary affordable housing development program, the Low Income Housing Tax Credit, which finances more than 115,000 affordable rental homes annually.

The Housing Credit works by allowing investors to secure a direct, dollar-for-dollar reduction in their federal income taxes when they invest in affordable rental housing for low- and moderate-income families. The Administration's proposal would provide a tax exemption for shareholder dividends. The amount of the exemption depends upon the amount of income taxes a corporation pays—the higher the taxes paid by a corporation, the greater the tax-free dividend benefit to shareholders. As a result, corporations could avoid investing in the Housing Credit, pay at the full tax rate, and increase the shareholder income in amounts that more than offset the tax benefit from the Housing Credit.

"The proposed dividend exemption would change the value of the Housing Credit and make it less attractive to corporations," said Stephanie Forbes, Director of LISC in the Bay Area. "This exemption has the potential to gut one of the most critical, remaining sources of financing for affordable rental housing in this country."

"The situation is particularly ironic since only two years ago Congress expanded the widely praised Housing Credit by 40 percent, with an 86 percent bipartisan co-sponsorship in Congress," said Dianne Spaulding, Executive Director of NPH. "The Bush Administration plan would also undermine the recently created New Markets Tax Credit, and the Administration's own proposed homeownership tax credit."

Since it was enacted in 1986, the Low Income Housing Tax Credit has financed the development of 1.3 million affordable rental homes nationally, including tens of thousands in Northern California. Today, one in seven Americans spends more than half of their

income on housing or lives in substandard conditions. This problem increased by an alarming 60% between 1997 and 2001. In California, the situation is at crisis proportions for low-income renters, 66 percent of whom pay more than half their income to rent.

###

**Program Name** Serious and Violent Offender Reentry Initiative  
**Federal Agency** U.S. Department of Justice, Office of Justice Programs (OJP) and National Institute of Corrections (NIC), and their federal partners: the U.S. Departments of Education (ED), Health and Human Services (HHS), Housing and Urban Development (HUD), and Labor (DOL).

The following provides dated information about this Initiative (in July 2002, the Department announced 68 grants totaling approximately \$100 million). It is unclear whether any additional communities will be invited to make applications. Nonetheless, the initiative's structure and website resources have some interesting information relevant to discharge planning: <http://www.ojp.usdoj.gov/reentry/publications/welcome.html>

The Reentry Initiative is a comprehensive effort that addresses both juvenile and adult populations of serious, high-risk offenders. It provides funding to develop, implement, enhance, and evaluate reentry strategies that will ensure the safety of the community and the reduction of serious, violent crime. This is accomplished by preparing targeted offenders to successfully return to their communities after having served a significant period of secure confinement in a state training school, juvenile or adult correctional facility, or other secure institution.

The Reentry Initiative represents a new way of doing business for federal, state, and local agencies. Instead of focusing the Initiative on a competition for a limited amount of discretionary funds, the federal partners are coming together to help state and local agencies navigate the complex field of existing state formula and block grants and to assist them in accessing, redeploying, and leveraging those resources to support all components of a comprehensive reentry program. The discretionary funding available through this Initiative will be provided only to fill any gaps in existing federal, state, and local resources.

Communities selected to participate in the Reentry Initiative will have the opportunity to develop state-of-the-art reentry strategies and to acquire knowledge that will contribute to the establishment of national models of best practices. The Reentry Initiative allows communities to identify the current gaps in their reentry strategy and present a developmental vision for reentry that seeks to fill those gaps and sustain the overall strategy. Additionally, communities can enhance existing reentry strategies with training and technical assistance that will build community capacity to effectively, safely, and efficiently reintegrate returning offenders.

### **Three Phases of Reentry**

The Reentry Initiative envisions the development of model reentry programs that begin in correctional institutions and continue throughout an offender's transition to and stabilization in the community. These programs will provide for individual reentry plans that address issues confronting offenders as they return to the community. The Initiative will encompass three phases and be implemented through appropriate programs:

- **Phase 1—Protect and Prepare:** Institution-Based Programs. These programs are designed to prepare offenders to reenter society. Services provided in this phase will include education, mental health and substance abuse treatment, job training, mentoring, and full diagnostic and risk assessment.
- **Phase 2—Control and Restore:** Community-Based Transition Programs. These programs will work with offenders prior to and immediately following their release from correctional institutions. Services provided in this phase will include, as appropriate, education, monitoring, mentoring, life skills training, assessment, job skills development, and mental health and substance abuse treatment.
- **Phase 3—Sustain and Support:** Community-Based Long-Term Support Programs. These programs will connect individuals who have left the supervision of the justice system with a network of social services agencies and community-based organizations to provide ongoing services and mentoring relationships.

Examples of potential program elements include institution-based readiness programs, institutional and community assessment centers, reentry courts, supervised or electronically monitored boarding houses, mentoring programs, and community corrections centers.

### **More Information**

<http://www.ojp.usdoj.gov/reentry/solicitation/solicitation.html>