

# HOME & HOPE VI: TOOLS FOR LOCAL GOVERNMENTS



**National Affordable Housing Training Institute  
(NAHTI) publication in support of a  
2004-2005 NACo Presidential National Housing Initiative**



**The Honorable Angelo D. Kyle**  
Commissioner, Lake County, IL  
NACo President

**NACo** *National Association of Counties*  
*Counties Care for America*

Atlanta, Georgia

September 28, 2004

When I chose to focus my Presidency of the National Association of Counties (NACo) on combating America's housing challenges, I did so because of the large role that housing plays in shaping our communities. Few things play more of a factor in influencing the quality of life that our citizens can attain than where and how they live. Today, more and more working Americans are struggling to afford homes in or near the communities that they work. To combat this challenge, county leaders are looking for flexible tools and resources that we can bring to bear to assist them in achieving their dreams.

I have said many times that while the federal government is not solely responsible for the housing challenges we face, it does have a responsibility to assist county officials by providing those flexible tools. The HOME and HOPE VI programs detailed in this publication are key resources that counties can utilize. When leveraged effectively, they can help make real headway in addressing local housing challenges.

The work conducted in Fulton and DeKalb counties, Georgia to create housing that is both high quality and accessible to citizens across income levels exemplifies the type of creative leadership counties can provide. Therefore, I am pleased to join members of the Fulton and DeKalb County Commissions, housing authority leaders, developers, and community representatives for groundbreaking on the Westchase development.

The Westchase project is the newest of many positive programs implemented in the region that help make the American dream of housing and homeownership a reality for more and more working Americans. Housing is about more than just homes. Assuring the accessibility and affordability of quality housing is key to building strong, prosperous communities. As my Presidential National Housing Initiative moves forward, we will visit other regions around the country who have also taken bold steps to bring the public and private sector together for the betterment of their communities.

I thank the leaders of the Fulton and DeKalb County Commissions, the Collaborative Firm, and each and every participant in this Presidential Initiative forum for hosting me and for their hard work and dedication to the cause of housing in America's counties.

Sincerely,

A handwritten signature in black ink, appearing to read 'Angelo D. Kyle', written in a cursive style.

Angelo D. Kyle  
President

## National Association of Counties (NACo)

Founded in 1935, the National Association of Counties (NACo) is the only national organization in the country that represents county governments. With headquarters on Capitol Hill in Washington, D.C., NACo's primary mission is to ensure that the county government message is heard and understood in the White House and in the halls of Congress.

NACo's purpose and objectives are to:

- Serve as a liaison with other levels of government;
- Improve public understanding of counties;
- Act as a national advocate for counties; and
- Help counties find innovative methods for meeting the challenges they face.

## National Affordable Housing Training Institute (NAHTI)

NACo works in a consortium sponsored by the National Affordable Housing Training Institute (NAHTI), offering technical assistance to county officials on flexible uses of HOME Investment Partnership Program (HOME) and Community Housing Development Organizations (CHDO) funds, and how they can be used with other Federal, State and local funds to address the housing needs in their communities.

The efforts are funded by a grant from the U.S. Department of Housing and Urban Development (HUD) utilizing HOME and CHDO funds. Other consortium members include the Council of Community Development Associations (COSCEA), the National Association of County Community and Economic Development (NACCED), the National Association of Local Housing Finance Agencies (NALHFA), the National Association of Housing and Redevelopment Organizations (NAHRO), the National Community Development Association (NCDA), National Leagues of Cities (NLC) and the U.S. Conference of Mayors (USCM).

To address local housing concerns and support elected county officials, NACo conducts workshops at national NACo conferences, produces publications and guidebooks, and works with State Associations to provide technical assistance and identify resources that complement counties' housing efforts.

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## Purpose

Local elected officials, their counties and their community development agencies have a vested interest in the development choices of public housing authorities. Conversely, public housing authorities are affected by local affordable housing priorities. Each can be a valuable resource to the other, especially if there is a mutual understanding of how respective funding sources can be used---together. The purpose of this publication is to increase county officials' understanding of affordable housing financing through the use of HOME Investment Partnership Program (HOME), HOPE VI, and other public housing funds as well as issues to be considered when these funds are combined. This publication provides key information that supports NACo President Angelo Kyle's 2004-2005 Presidential Initiative promoting county leadership in addressing housing challenges.

## Background

In most counties across America, the price of both homeownership and renting has increased faster than personal incomes and inflation. This has caused many renter households that had to commit a larger share of their incomes to rent to forego buying a home. Almost simultaneously, homelessness increased dramatically as renters struggled to keep a rented-roof over their heads. Today, millions of Americans live in overcrowded apartments, and millions more pay more than they can reasonably afford for substandard housing, particularly moderate and low-income households. For low-income renters and young families, it has become harder than at any time since the Great Depression to buy a home or pay the rent. For many Americans, finding decent affordable housing is almost impossible.

## NACo Presidential National Housing Initiative

For county leaders, a fundamental responsibility is to create an environment in which citizens can achieve a high quality of life—to create healthy, strong communities where people want to live, work, and raise their families. There are few factors that greater influence an individual's chances for success in life than where and how they live. The ability to acquire quality housing in or near the communities in which they work is a fundamental component of building the strong families and safe, vital communities that assure the progress and continued greatness of our nation.

Therefore, NACo President, Lake County Illinois Commissioner Angelo Kyle has launched a broad based National Presidential Housing Initiative to increase access to quality housing and home ownership opportunities. NACo has assembled a strong and diverse coalition of housing and community leaders to support the effort including the Fannie Mae Foundation, National Association of REALTORS®, National Association of Home Builders, Freddie Mac, the Center for Housing Policy, and Bank of America.



NACo President Angelo Kyle and Fannie Mae Foundation Managing Director Sheila Maith sign a national agreement to jointly address housing accessibility and affordability challenges.

These organizations are joining leading representative organizations of police, firemen, and teachers, in working with NACo to address America's housing crisis.

### **Under President Kyle's leadership, public and private sector leaders are working together to:**

#### **Put a 'face' on America's housing crisis**

There is a real need to understand just who it is that we are really working for to assure quality housing. Millions of hard working Americans with good jobs are struggling to attain quality housing in the communities in which they work, including many of our first responders—the heroic police, firemen, nurses emergency personnel, and teachers that we rely on to protect and support us.

#### **Improve the design, attractiveness, modernity, and quality of new housing—and assure that housing is affordable for more Americans**

The term 'affordable housing' has become stigmatized. For a long time, affordable housing was synonymous with unattractive or substandard housing. When done correctly, denser, mixed-use development with a variety of housing types creates attractive, dynamic neighborhoods where people want to live.

#### **Take the case for quality housing for working families out into communities across America**

It is important that county leaders, the private sector, and the faith based community are provided with replicable examples from communities who have successfully come together to address their housing challenges. We will visit several of these places, learn from their efforts, and raise awareness of the issue on the national agenda.

#### **Work with the federal government to assist in meeting the challenge**

The federal government is not solely or even mostly responsible for solving the national housing crisis. However, it does have

a strong obligation to assist by assuring that the tools, support systems, financial, and enforcement mechanisms are in place that allow for flexibility and innovation. By working together in partnership, we can assure progress.

In the Fulton and DeKalb County, GA region President Kyle is joined by many of his Presidential Initiative partners in celebrating the creation of a new mixed use development that provides quality housing and home ownership opportunities to citizens of a variety of income levels in the Atlanta region.

The remainder of this publication focuses on the federal partnership that allowed the creation of the Westchase Community development, the resources leveraged, detailing the site, and the history leading up to the groundbreaking of September 28, 2004.

## Federal Tools for Community Revitalization: HOPE VI & HOME

### HOPE VI

The HOPE VI program, originally known as the Urban Revitalization Demonstration (URD), was created by the Department of Veterans Affairs and the Department of Housing and Urban Development, and Independent Agencies Appropriations Act of 1993. The program was initially developed to eradicate severely distressed public housing through making management improvements, physical enhancements, and social and community services available to address the needs of public housing residents. The HOPE VI program provides funding to public housing authorities to help shape lives of residents by lessening concentrations of poverty by promoting mixed income neighborhoods, creating incentives for resident self-sufficiency and forging relationships with local governments, nonprofit agencies, private businesses to leverage support and resources.

Congress has never passed an authorization bill for the program, and therefore, no program regulations have been issued. Grants are governed by each Fiscal Year's Notice of Funding Availability (NOFA) and Grant Agreements. Still, in creating the HOPE VI program, Congress recognizes that salvaging severely distressed public housing sites require strong remedies to treat the interrelated physical, economic and social ills that plague many distressed urban communities. There are two HUD grants that have planted seeds for communities to blossom: Revitalization Grants and Demolition Grants.

HOPE VI grants fund public housing authorities to demolish obsolete public housing developments, revitalize sites, including remaining public housing units, provide replacement housing and assistance to tenants displaced by the demolition and provide for public housing management improvements. HOPE VI also funds tenant self-sufficiency services, including child care, employment training, computer skills training, education, transportation, and health care. Since the inception of the HOPE VI program, there have been a total of 193 revitalization grants awarded between 1993-2002, totaling over \$5 billion.

HOPE VI Demolition grants fund public housing authorities (PHAs) to demolish and provide minimal site restoration for public housing units without revitalization where funding is unavailable for demolition. With these grants, local public housing authorities and their partners are demolishing tens of thousands of units of distressed public housing and developing in their place attractive, mixed-income communities that provide a range of affordable, high-quality housing opportunities for renters and homeowners alike. And HOPE VI has not only invested in buildings, but in ensuring that residents have the skills, services, and supports they need to move ahead. Since 1996, HUD has awarded \$335 million through 218 HOPE VI Demolition grants for the demolition of more than 49,000 severely distressed public housing units.

The HOPE VI program is the major federal initiative driving the transformation of distressed public housing developments nationwide. Under HOPE VI, distressed developments are being demolished and replaced with mixed-income housing. Like welfare reform, this transformation offers both the potential to improve the quality of life for low-income households and the risk that an unknown proportion of families may be unable to make a successful transition. In particular, HOPE VI has the potential to have a major impact—positive or negative—on the lives of the many poor children who live in distressed public housing.

The results have been promising. In less than a decade, HOPE VI has begun to fundamentally alter the nature of public housing developments, the paths of former residents, and the role and mission of public housing agencies.

### HOME Investment Partnership Program (HOME)

Created under the National Affordable Housing Act (NAHA) of 1990, the HOME Investment Partnerships Program (HOME) was designed to respond to housing needs in States, urban counties, cities, and consortiums within governmental jurisdictions. The legislation enacting HOME charges us to:

- Expand the supply of decent and affordable housing, particularly rental housing for low and very low income Americans;
- Strengthen the abilities of states and local governments to design and implement strategies for achieving adequate supplies of decent and affordable housing;
- Provide both financial and technical assistance to participating jurisdictions; and
- Expand and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

At the time of enactment, Congress intended the HOME program to serve as a vehicle that would help local governments (and their elected leaders) build partnerships with other public and private entities and develop the skills and vision needed to develop affordable housing strategies. HOME is the largest block grant to states and local governments created for affordable housing for



Surrounded by local First Responders, NACo President Angelo Kyle launches his National Presidential Housing Initiative in Maricopa County (Phoenix), Arizona. Helping police, fire, and emergency service personnel find quality homes in the communities they serve is one of the primary objectives of the Kyle initiative.

low income households. HOME funds are allocated by formula to participating jurisdictions (PJs)-states, counties, cities and consortia. Local governments that do not meet the threshold in determining the allocation can receive HOME funds by forming a consortium with other local governments to reach the threshold, or seek funds through the State's HOME program. The HOME program also requires 15 percent of the total HOME allocation be committed to projects owned, sponsored, or developed by Community-Based Housing Development Organizations (CHDOs), a type of nonprofit housing developer that serves low income households.

The HOME program allows local governments to fund a variety of authorized program activities. Compared to previous Federal housing programs that limited states and localities to the special purposes of each program, HOME gives local officials the authority to choose how to spend housing dollars to meet local needs. The HOME program enables state and local governments to build or rehabilitate housing for rent or ownership, provide home purchase or rehabilitating financing assistance to existing homeowners and new homebuyers, and provide tenant based rental assistance to low and moderate income households.

Research has shown that HOME has made a significant contribution to state and local affordable housing efforts. A key ingredient in the program's success is that participating jurisdictions support the flexibility HOME provides to create and implement housing programs that respond to local needs. Just as important, the program assists substantially more lower-income households than Federal law requires. For example in FY 2003, the HOME program exceeded its goal for total households assisted, with all but one component (new homebuyers committed) significantly exceeding FY 2003 projections. HOME participating jurisdictions committed 99,003 new units of assisted housing for FY2003, exceeding the goal of 87,602 units by 13 percent. FY 2003 performance also represents an increase of 18 percent (14,949 units) over the 84,054 units committed to in FY2002. Of the FY 2003 total, 41,092 commitments were for rental housing, an increase of 13,849 units over previous years; 31,999 commitments were for new homebuyer housing, 491 commitments units less than the

previous year; 15,181 commitments were for existing homeowner rehabilitation housing, an increase of 1,099 units; and 10,731 commitments were for tenant based rental assistance, 492 over the previous year performance.

The HOME program allows local governments to fund projects developed by all types of organizations, including Community Housing Development Organizations (CHDOs), public and private sector developers, for profit and nonprofit owners, and owners/managers of large and small numbers of rental housing units. However, local officials and community development practitioners are becoming increasingly concerned about their ability to monitor HOME projects and meet program requirements, while engaging faith based groups and other non-profit entities that lack housing development experience. Emphasis by the Bush administration on Performance Measurement and program monitoring has resulted in an increased focus on outcomes produced at the local level with federal funds. Since jurisdictions are given the flexibility to make choices about how to use program funds, they are accountable for making those choices. Many faith based and other non-profit organizations may need to increase their capacity for managing complex housing finance transactions in order to participate in federal housing programs.

### HOME & HOPE VI in Mixed Finance Development

Shrinking resources, poor conditions in some public housing sites and the critical need to expand the stock of safe and affordable housing have caused HUD to encourage public housing authorities to demolish and replace public housing units, and to mix public housing funds with other public and private resources to create development which allowed for a mix of income among residents. Mixed finance and mixed income projects bring together multiple funding sources, break concentrations of poverty, and generally ensure high quality housing. An increasing number of for-profit developers are partnering with public agencies and/or nonprofit development organizations to build mixed-income communities that combine market rate and publicly assisted units. Many public/private partnerships were established under the federal HOPE VI program. As of 2003, approximately 49 different private development firms varying in size, specialization, and experience—including some of the nation's foremost developers—have been involved in more than 80 HOPE VI revitalization projects in 48 different cities.

HOME PJs can also serve as valuable partners to public housing authorities in developing affordable housing. HOME may be used to expand mixed finance public housing development by promoting partnerships with experienced Community Housing Development Organizations (CHDOs), using reserved funds for projects owned, sponsored or developed by CHDOs. HOME funds can also improve the opportunities of public housing authorities to address special housing needs of large families, persons with disabilities, single room occupancy (SRO) tenants, and the homeless. HOME funds may also be used to provide downpayment assistance and closing costs to public housing residents, who may have participated in self sufficiency programs and are ready to make the transition to homeownership, possibly through lease-purchase arrangements.

Public housing authorities may use HOME funds for property acquisition, site improvements, new construction and rehabilitation of residential property. These activities can be carried out independently or in conjunction with HOPE VI and/or public housing projects.

### HOME and New Public Housing Units

HOME funds may be used to assist in the construction or acquisition of public housing units, provided both public housing program requirements and HOME program requirements are met. If requirements are not met, the units are not eligible for inclusion under the annual contributions contract (ACC) and payment of operating subsidies. Under these rules, HOME funds may be used to provide replacement units for prior HUD-approved demolition or disposition of public housing. However, housing authorities are required to use capital funds for development costs of non-replacement units. HOME requirements for rental housing apply to all units assisted with HOME funds.

For more information about HOME rental housing requirements, see 24 CFR 92.252. For more information about Public Housing program requirements, see 24 CFR part 941 and PIH Notice 96-56 (HA). Please contact your HUD Field Office of Public and Indian Housing prior to using HOME funds to assist new public housing units.

### HOPE VI & HOME are Transforming Lives...

HUD's HOME and HOPE VI programs are transforming severely distressed public housing and the lives of its residents. The vast majority of the nation's public housing provides safe, decent and affordable housing to millions of very low-income families. With HOME and HOPE VI funds, communities are replacing once dilapidated high-rises and barracks-style buildings with beautiful new neighborhoods that provide homes for people of all ages, race and incomes. Nevertheless, the HOME and HOPE VI programs are about much more than bricks and mortar. They are about creating communities of opportunity where children can grow up safe and strong, and where parents can find meaningful jobs and provide for their families.

## HOPE VI & HOME NOTE

**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.**

# Westchase Master Plan – Executive Summary

## History:

The Red Oak project is an example of another redevelopment site currently undergoing revitalization.

These communities will offer a quality living experience and provide the choice of affordable homeownership and rental opportunities.

The Westchase redevelopment plan will replace the former Boat Rock public housing project.

In December 2001, with the approval by HUD, the 258-unit public housing project was demolished by the Housing Authority of Fulton County ("HAFC") using funds from a HOPE VI grant.

In May of 2002, HAFC solicited development proposals to implement a comprehensive revitalization plan that included the following goals:

- Respect the vision of the surrounding neighborhood related to the ultimate disposition of or sale of the property
- Maximize the financial benefit to HAFC in order to help carry out HAFC's mission of providing an adequate supply of affordable housing and to promote first time home ownership opportunities.
- Provide a quality product

By HAFC Board Resolution on September 26, 2002, the Norsouth Corporation was selected as developer of the Boat Rock site.

On March 20, 2003, the Board of Commissioners of HAFC approved a resolution authorizing, in principle, the issuance of Multifamily Housing Revenue Bonds, for the purpose of assisting Westchase Park Limited Partnership with the acquisition and construction of a new 224 unit multifamily housing project.

On May 9, 2003, HUD approved the request of HAFC to sell the property.

On October 1, 2003, the Fulton County Board of Commissioners approved a resolution for the issuance of revenue bonds by HAFC for the benefit of Westchase Park Limited Partnership.

On October 3, 2003 the Georgia Department of Community Affairs approved the project for an allocation of bonds not to exceed \$15,000,000.

## Vision:

Redevelop the former Boat Rock housing project with a quality built, mixed-income residential community offering a range of housing types and whose affordable housing units are indistinguishable from the surrounding community. The revitalization plan shall become part of HAFC's larger master plan to be coordinated with other local HOPE VI funded redevelopment projects. The Red Oak redevelopment is an example of another redevelopment project currently undergoing revitalization. This community will offer a quality living experience and provide the choice of affordable homeownership and rental opportunities.

## Neighborhood:

Affluent single-family neighborhoods immediately east of the redevelopment site on both Boat Rock and Cascade Roads. Home prices in some neighborhoods exceed \$400K.

New 223 acre mixed use development ("Sandtown Center") is planned immediately east on Camp Creek Parkway. The development will feature single-family homes, apartments, retail and office uses.

Westchase is planned to be part of the residential revitalization spreading southwest from Cascade to Campcreek Parkway.

Truck traffic will be isolated to the north on Fulton Industrial Boulevard. There is no driveway access for trucks on Boat Rock Road.

A new light industrial development is planned for the corner of Boat Rock Road and Fulton Industrial Boulevard. Zoning conditions on this project also limit driveway access to Fulton Industrial only.

Zoning conditions further impose a 50' landscape buffer on the road frontage directly opposite of the redevelopment site.

The Sandtown Community has worked hard to ensure that the Boat Rock corridor remains residential in nature and will beautify the Sandtown Community when developed.

## Community Amenities:

- Centrally located parks and green space with barbeque and picnic areas
- Community clubhouse and amenity center w/ exercise facility
- Lighted Tennis Courts
- Resort style pool
- Abundant landscaping, which is maintained by the neighborhood association. Landscape maintenance is extended to the individual single-family lots through the HOA.

## Site Details: 5800 Boat Rock Road, Atlanta, GA 30315:

- 29.79 Acres Total
- 14.98 acres designated for 224 multifamily apartments
- 14.81 acres designated for 67 single family homes and 17 town homes

## Product:

- 67 Single Family Homes ("Westchase Glen")
- 17 Town homes ("Westchase Glen")
- 224 Apartment Homes ("Westchase Park")
- 60% of the apartment homes are reserved for residents with incomes that do not exceed 60% of Atlanta's median income.
- Ten single-family home sites are reserved for families whose incomes do not exceed 80% of Atlanta's median income.

## Clubhouse:

- Split elevation due to sloping grades
- Craftsman Architecture
- Great Room / Leasing
- 4,000 – 5,000 square feet in size
- Designed to allow access to both single family and multifamily residents
- Fitness Center
- Media Center
- Separate leasing area from resident amenity areas
- Leasing resource / work room
- Business Center

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## **NACo Presidential National Housing Initiative Current Partners and Participants**

Fannie Mae Foundation

Bank of America

Metropolitan Institute at Virginia Tech

National Association of Home Builders

National Association of REALTORS®

Freddie Mac

Center for Housing Policy

NACo Center for Sustainable Communities

National Affordable Housing Training Institute

United States Department of Housing and Urban Development

National Association for County Community and Economic Development



## **National Affordable Housing Training Institute Partners**

National Association of Counties

National League of Cities

National Association of Housing and Redevelopment Officials

National Association for County Community and Economic Development

National Association of Local Housing Finance Agencies

Council of State Community Development Agencies

National Community Development Association

United States Conference of Mayors

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