

# THE BUZZ

PHA TECHNICAL RESOURCE CENTER

OCTOBER 2009

PROFESSIONAL DEVELOPMENT RESOURCES

WWW.PHATECHCENTER.ORG

## FOLLOW THE MONEY BUILDING STRATEGIC PARTNERSHIPS

By Pam Ray  
Pam Ray & Associates

What do sailing and the housing/community development industry have in common at this point in time?

In both, sailing with-the-wind moves you in a forward direction. In both, you don't know the final destination. In both, your course

SAIL WITH  
THE WINDS  
OF CHANGE



“You have to sail the wind you have and make the best progress possible.”

- Jim Holder, Editor,  
Catalina Mainsheet

changes many times but you take incremental solution-oriented steps toward a destination. And, in both, you must be in the water. You don't sail when you are tied to the dock and you don't transform your local role when you are tied up as an isolated agency within your community. And, transforming your local role is happening either with you –as you sail- or without you –as you stay tied up at the dock.

Local communities are among the hardest hit casualties of this economic crisis. The scale and speed of the housing/economic crisis is unprecedented and the economic impact is broad and deep as you know with the outcomes that are so painfully evident through budget cuts, foreclosures and rising unemployment. In a culture that often seeks instant gratification, it is not to be found in solutions from the top-down (has anyone seen TARP money from Washington flow into their local communities?)

The opportunity lies in the “bottom-up” response and in mobilizing the resources of the larger local community including nurturing your role as a housing provider and promoting your potential as a partner in the community's effort to seek new strategies and new solutions that, over time, will create stability for your local community.

*Continued On Page 2*

## TUNE-IN & TUNE-UP: IDENTIFY TRENDS & TRANSFORMATION

- FY 2010 budget proposes increases for public operating and capital programs and CDBG but I urge a cautious approach to the increases as the overriding issue of our nation's unprecedented national deficit and debt (which have gone from BILLIONS to TRILLIONS) will add to deepening fiscal pressures at the national, state and local level.

- The key to public housing "transformation" as proposed in the President's FY 2010 budget was reflected in a statement by President Obama where he stated that "We need to approach the old challenge of affordable housing with new energy, new ideas, and a new efficient style of leadership" and by Secretary Donovan where he stated that "We have been charged to change the way we do business: to become more transparent

and accountable; to ensure that we subject all our activities to rigorous evaluation so we can support what works and modify what doesn't; and, to become the best partner we can be with the states and localities and private sector firms and nonprofits that do the real work on housing."

- While the President's FY 2010 budget introduced some new housing and community development initiatives, most were funded from set-asides within existing programs and the proposed Choice Neighborhoods Initiative (CNI) would transform the HOPE VI public housing development program to a broader community level mixed-income housing development program.

- National housing policy remains up in the air (i.e.-housing finance, regulatory reform, homeownership/affordable rental housing, long-term funding, etc.) as Washington frequently alters its focus to other high profile issues.

### ***Building Strategic Partnerships Continued From Page 1***

#### Recognize Your Potential Through Collaborative Partnerships

While the successful inclusion of capital funding and CDBG in the stimulus bill validates your economic stimulus role in the local economy, the social and business roles of PHAs and CDAs are numerous and surpass the singular role as program managers of complicated federal programs. It will most likely be your job to educate local officials and organizations on the many partnership opportunities that you are capable of fulfilling. These might be social missions ad-

ressing supportive housing, after-school programs, senior transportation, youth programs or computer training/access. Or they may be business missions addressing development/redevelopment, property management, property acquisition or acting as the non-profit partner for a joint venture project. It is also probable that as others learn about your potential, they will approach you. This was the case with a Pennsylvania housing agency that was asked by the county to run a rental housing program and with a New York housing agency that was approached by the local school district to collaborate on after-school programs.

***Continued On Page 3***

**Building  
Strategic Partnerships  
Continued From Page 2**

Your limited resource of time makes it critical to focus strategically on who represents your target audience; what the mission is at the community-level and your agency; where to find the money to meet the need/mission; when do the need and money require action; and, why other agencies and/or community organizations should work in partnership with your agency or your associated non-profit organization. All of these factors will build out from clearly understanding your local agency mission whether it is old, new or renewed.

#### Follow the Money

Searching for funding resources requires you to understand that new sources are not flowing directly to your door but that you have to follow the money trail to find other avenues of opportunity that support your mission and goals.

#### Connect with Existing Funding Sources

Many federal and state programs flow to local agencies or organizations. Federal Community Development Block Grant funds (CDBG) which primarily fund infrastructure projects also allow for up to 15% to be spent on social service related projects (at the grantees discretion). The partnering of a PHA and a CDA represents the most obvious yet often under-uti-

lized strategic partnership. Federal Community Service Block Grant (CSBG) funds flow to local-level private, non-profit and public agencies that work to alleviate poverty and empower low-income families. Your colleague across the country are connecting with a variety of existing funding sources by reaching out to:

- Area Agencies on Aging
- Local & State Social Service Agencies
- Developer /Non-profits
- Local Financial Institutions/Banks
- FHLB Affordable Housing Program: Housing & Community Lending Programs.
- Foundations, Charities, In-Kind
- College/University/Schools
- Local HUD Field Office
- Neighborworks / Ameri-corps
- Many other existing funding sources.

Often, your outreach for funding sources and partnerships will return unanticipated benefits such as:

- Referrals to other known funding sources;
- Funding sources that already have grant writers engaged and can put together the bulk of a joint grant application;
- Participation in the spending plan of other agencies/organizations. Where

**Continued On Page 4**

**Building  
Strategic Partnerships  
Continued From Page 3**

you may not qualify as a grantee/subgrantee on a given program you may be able to “be at the table” with another local service provider in setting priorities that maximize the available funds and help meet the needs of those you serve. This approach was used by some housing agencies wanting to access the ARRA funding for Homeless Prevention & Rapid Re-Housing Program (HPRP).

In this time of tight budgets, every sensible effort should be considered. Make a call where it seems sensible and be open to new and creative solutions and partners.

**PHA & WIB: A Natural Alliance**

This collaborative partnership is being advanced by the Secretary of HUD, Shaun Donovan and Secretary of Labor Hilda Solis who sent a letter to all PHA Executive Directors across the country in June 2009 outlining their collaborative strategy to local agencies. Upon receipt of the June 2009 letter from the HUD-DOL Secretary’s, Pat Lucia, Director of the Plattsburgh Housing Agency and former President of the NYS Association on Housing and Renewal Officials reached out to her regional WIB director and found an immediate connection. “ PHAs

know the business of providing housing for low-income individuals and WIBs know the business of job training programs for low-income individuals making it a logical and productive partnership for both agencies,” stated Lucia.

---

In this time of tight budgets, every sensible effort should be considered.

---

Not only does it make sense due to the opportunity available from increased stimulus funding of job training programs but this strategic partnership can be a critical tool in meeting the statutory and regulatory compliance requirements of HUD’s Section 3 program (for state and local housing and community development agencies that receive HUD funds) which recently received renewed attention and requires that PHAs direct new employment, training and contractors to its residents where HUD funds are spent. HUD plans expanded enforcement of Section 3 requiring job placement of public housing residents and companies employing them beyond ARRA funded programs to include: PIH Assistance for Operations, Capital, and Modernization; HOPE VI, Community Development Block Grants, HOME Investment Partnerships; Disaster Recovery Assistance and Housing Opportunities for Persons with AIDS.

**Continued On Page 5**

**Building  
Strategic Partnerships  
Continued From Page 4**

**New Partners: State Housing  
Finance Agencies**

Three new federal programs offer the opportunity for new partnerships and new funding resources and they all have one major player in common. Did you know that these new federal programs are/will flow primarily through your state housing finance agency/designated state housing & community development agency? Now is the time to be at the table with your state agencies as they plan and manage the allocation of these new funding streams. Your state housing and community development association should position your housing and community development agencies to work with HFAs in some/all of their programs. The programs are outlined below.

**Neighborhood Stabilization Program (NSP)** created through HERA in July 2008: The NSP now has \$6 billion in resources being invested across the country and is likely to see more as Congress has

shown ongoing interest and support for the NSP. The NSP statute mandates that 25% of program funding (for each grantee) must be used to purchase and redevelop abandoned or foreclosed homes or residential properties that will be used to house individuals or families at or below 50 percent of area median income. This role must be filled by a PHA, a non-profit (or the NCST discussed below). So, get educated on NSP and seize the opportunity to play a key role in a popular multi-billion federal housing and community development program.

If you haven't already done so, now is the time to:

- Learn about the eligible activities under the NSP program
  - Identify your state agency and local grantees; (and, read their HUD substantial amendment which describes how they plan to use NSP funds)
- State and local governments (received formula grants under NSP I)

**Continued On Page 6**

**PHA BUILDS  
CREATIVE, CREDIBLE  
NSP PROJECT**

From the project description: "This project will entail the acquisition and rehabilitation of foreclosed houses within the three target communities for rental or sale to families earning less than 50% of median income. Habitat for Humanity of Suffolk will be given approximately two foreclosed houses to renovate and re-sell

to first time homebuyers through the Section Eight Homeownership Program operated by the Town of Islip Housing Authority. Habitat staff will carefully inspect each home to determine the scope of required renovations, and volunteers as well as private contractors will perform the renovation work. Purchasers will be selected from amongst Islip Housing Authority's Family Self Sufficiency Program participants, in cooperation with Habitat for Humanity's Family Selection Committee."

**Building  
Strategic Partnerships  
Continued From Page 5**

- States, units of general local government, nonprofit entities, and consortia of nonprofit entities (will receive competitive grants under NSP II)
- Become familiar with the role of the National Community Stabilization Trust (NCST) which is active in over 100 localities nationwide - ([www.stabilization-trust.com](http://www.stabilization-trust.com))
- Determine your agency's potential role in the NSP program based on your mission and your agency's strengths
- Make calls and work to build new local partnerships.

The Federal Housing Trust Fund was also created as part of HERA in July 2008 and has as its mission the production, preservation or rehabilitation of affordable housing. The Trust Fund is structured to dedicate 65 percent of the grants to states to increasing the supply of rental housing for extremely low-and very low-income families, including homeless; and to target homeownership with no State match requirement. While the Trust Fund is not yet funded current proposals now before Congress as part of the FY 2010 appropriations process may make that a reality.

Despite the lack of current funding, it is important to pay attention to the programmatic structure put in place when it was created in July 2008. The trust fund is set up to flow through each state's designated agency and calls for a planning process at the state level. If you want to play in this venue, you must communicate with your designated state agency and find out the public planning process schedule so that you can incorporate the roles of public housing and community development agencies in that plan. States may be waiting for HUD guidance to move forward but don't you wait for HUD guidance to make the calls that will lay the foundation for public housing and community development to be "at the table" in establishing priorities for this program implementation.

**Continued On Page 7**

### NATIONAL COMMUNITY STABILIZATION TRUST

Created to facilitate the transfer of foreclosed and abandoned property from financial institutions nationwide to localities in order to promote neighborhood stability. NCST is an unprecedented collaborative effort by six major community development nonprofits that created four model programs to accomplish the REO purchases. One model REO purchase program reaches out to "Identify quasi-public or public agency to acquire and land bank properties – Public Housing Authority, Redevelopment Agency" creating yet another avenue for PHA/CDA/RDA participation in the NSP program.

**Building  
Strategic Partnerships  
Continued From Page 6**

New Issue Bond Program (NIBP) and Temporary Credit and Liquidity Program (TCLP) announced for State & Local HFA's (October 19, 2009): In addition to managing the Tax Credit Assistance Program (TCAP) created as part of the ARRA to provide gap financing to LHITC projects, state and local housing finance agencies will receive temporary financing to issue new mortgage revenue bonds to help agencies finance mortgages for first-time homebuyers and develop rental housing.

**Glass Is Half Full -  
Opportunity Knocks!**

Building creative and strategic local partnerships, and becoming a strong community partner, will be the key to forward momentum in these changing times. While you are busy spending capital stimulus funding and attending to your daily operations, maintenance and compliance responsibilities, please take note that the trends are pointing to a transformation of local roles on many fronts-including yours.

**ABOUT THE  
AUTHOR**

Pamela Ray & Associates is in its fourteenth year of successful government relations consulting and advocacy. Federal advocacy focuses on appropriations projects, subsidized housing, housing finance issues, creative and highly credible projects. Pam also created a local advocacy/partnership-building component to her business which serves clients in housing, community development, neighborhood stabilization and other collaborative efforts. Pam serves as a commissioner on the Arlington County Citizen's Advisory Commission on Housing and the Community Development Citizen's Advisory Committee. This



article comprises excerpts from the "Follow the Money (FTM)"™ program prepared by Pam for state housing and community development association conferences.

These were presented this year in New York, Pennsylvania, at MARC-NAHRO, for Alabama, and will be presented to the Virginia Governor's Housing Conference in November 2009. The FTM program requires the comprehensive agency participation by commissioners, directors and front-line staff. To contact Pam as a speaker for your next conference/training, please email her at [pamrayllc@earthlink.net](mailto:pamrayllc@earthlink.net) or she can be reached via [PHMI@phatechcenter.org](mailto:PHMI@phatechcenter.org).