Homelessness (Project) NOW

Buying a home may be unexceptional for many. But for families formerly homeless or with special needs, it is the summit on a long and challenging climb to self-sufficiency.

For more than ten years, Project NOW in Rock Island has worked with families to help them realize the dream of home ownership. Homeownership is just one program in a continuum of services that the agency provides to attain self-sufficiency. Project NOW provides down-payment and closing cost assistance and funds for repairs at the time of purchase. But according to Julie Lindbeck, Homeless Service Coordinator, “The real work is done by the families themselves prior to qualifying for mortgage financing.” That work may include completing an education program, cleaning up bad credit, securing steady employment and learning to make smart choices about money. Once stable, families then go on to establish bigger goals such as home ownership.

Many of the families that eventually purchase a home through Project NOW have either accessed emergency

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FY06 Budget Proposal

President Bush submitted his fiscal year 2006 HUD budget request to Congress on February 7. In the President’s request, HUD budget is reduced by 11.5%, from $32.3 billion in FY05 to $28.5 billion in FY06, which begins on October 1, 2005.

Homeless Assistance Grants

The FY06 budget request increases funding for the homeless by $200 million dollars for a total of $1,440 billion. The increased amount includes $25 million specifically for prisoner re-entry housing, which has not been authorized by Congress. HUD has also stated that up to $200 million of the FY06 request is for Samaritan initiative programs, which also have not been authorized by Congress. HUD is planning to submit legislation to consolidate the three competitive HUD McKinney programs and may include the Samaritan Initiative in the legislation.

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FY 06 Budget
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Community Development
Block Grants

The most drastic cut in the HUD budget request is the elimination of the Community Development Block Grant program. This thirty-year-old program will be moved to the Commerce Department where it will be incorporated into a $3.71 billion program, Strengthening America’s Communities grant program. It is not clear how the funds would be distributed in the new program, if housing activities would be a part of the new program, what part of the $3.71 billion in the Commerce Department’s budget request represents CDBG activity vs. activities of any of the other 17 federal programs rolled into this new program. HUD was unable to describe in a briefing for public interest groups exactly how they propose to undertake this reform, and implied that drafting of the legislation will be up to the Department of Commerce.

Some CDBG set-aside programs would move to other departments. Exceptions include the Self-Help Homeownership Opportunity Program (SHOP), the Indian Community Development Block Grant program, the Native Hawaiian Housing Block Grant program and University Programs. Included in the programs moving from HUD are Empowerment Zones/Enterprise Communities (to Commerce), Brownfields redevelopment to Commerce and Youthbuild (to Labor). Set-asides for the Housing Assistance Council, the Enterprise Foundation, LISC, Habitat for Humanity, the National Council of La Raza, and the Native American Indian Housing Council are gone.

Transferring the CDBG program to Commerce will require legislative action by the committees that currently have jurisdiction over the program, the Senate Banking, Housing and Urban Affairs Committee and the House Financial Services Committee. This is expected to be difficult to achieve.

Housing for Persons with Disabilities

Housing for persons with disabilities is cut in half, from $238 million to $120 million. None of these funds are for the construction of new units. Up to $35 million is for new tenant-based assistance and the remaining funds are for tenant-based renewals.

Tenant-Based Rental Assistance

The President requests a total of $15.85 billion for the section 8 housing choice voucher program in FY06. Of that

Continued on page 5)
More than 4,400 local homeless programs across America will receive $1.4 billion in grants announced today by the Department of Housing and Urban Development—the largest single commitment of federal funds designed to provide shelter and care for those without a home of their own.

HUD’s funding is provided in two ways:

- **Continuum of Care grants** provide permanent and transitional housing to homeless persons. In addition, Continuum grants fund important services including job training, health care, mental health counseling, substance abuse treatment and child care.

- **Emergency Shelter Grants** convert buildings into homeless shelters, assist in the operation of local shelters and fund related social service and homeless prevention programs.

Combined, HUD’s Continuum of Care and Emergency Shelter Grant programs will provide critically needed funding to more than 4,400 local programs in all 50 states, the District of Columbia, Puerto Rico, Guam, and the U. S. Virgin Islands. As a result, more than a quarter-million persons will receive the housing and services they need to become self-sufficient.

For a more detailed local summary of the funding announced today, visit www.hud.gov/offices/cpd/homeless/budget/2004/index.cfm.

More than $1.2 billion in Continuum of Care grants are awarded competitively to local programs to meet the needs of their homeless clients. Continuum grants fund a wide variety of programs—from street outreach and assessment programs to transitional and permanent housing for homeless persons and families.

(Continued on page 4)

### 2006 Budget and Rural Housing Needs

The Bush Administration’s budget for fiscal year 2006 proposes to cut numerous housing programs. (See accompanying table.) The Agriculture Department’s Section 515 rural rental housing program, which once produced over 30,000 new apartments every year, would be cut from $100 million in fiscal 2005 to only $27 million in 2006, with all the funds to be used for repair and renovation of existing buildings.

Revitalization of 515 developments is certainly needed, but new affordable rental properties are needed too, according to HAC, and it appears the budget will lead to an increase in...

(Continued on page 7)
HUD Awards (Continued from page 3)

Emergency Shelter Grants are allocated based on a formula to state and local governments to create, improve and operate emergency shelters for homeless persons. These funds may also support essential services including job training, health care, drug/alcohol treatment, childcare and homelessness prevention activities. By helping to support emergency shelter, transitional housing and needed support services, Emergency Shelter Grants are designed to move homeless persons away from a life on the street toward permanent housing.

Approximately $322 million of the Continuum grants awarded today will fund new and existing programs through HUD’s Shelter Plus Care program that helps to pay rent and provide permanent housing for disabled homeless individuals and their families. The Shelter Plus Care program requires that HUD-funded projects help their clients live independently and provide needed supportive services from funding sources other than HUD.

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**FY 06 Budget**  
(Continued from page 2)

amount, $14.1 billion is for voucher renewals, $1.3 billion is for administrative fees, $55 million is for the Family Self-Sufficiency Program, and $45 million is allocated for a central reserve fund to be used by the Secretary for unforeseen exigencies. The distribution of the funds for renewals will be based on a pro-rata share of each agency’s FY05 budget and a 2006 annual adjustment factor plus the costs of any tenant protection vouchers.

The budget calls for an increase of $192 million for tenant protection vouchers for a total of $354 million. According to HUD, the more than doubling of tenant protection voucher funding is necessary due to anticipated increases in HOPE VI demolition, mandatory and voluntary conversion of public housing into tenant-based assistance, vouchers needed to complete the consent decree of the recent Walker vs. U.S. Department of Housing and Urban Development decision, and more opt-outs of section 8 project based properties.

HUD continues to use a budget-based approach in its renewal formula. Agencies will not be funded on actual leasing levels and costs. While the budget request does not yet propose major changes in the program, such as last year’s rejected Flexible Voucher Program, HUD states that it will move forward with reforms and submit a similar proposal to Congress in 2005.

**HOME**

The HOME program was increased about $41 million but the requested set-aside for down payment assistance was increased by $150 million to $200 million, leaving the HOME block grant cut from FY05’s level.

**Rural Housing and Economic Development**

The President’s request would eliminate HUD’s office of rural housing and economic development.

**USDA’s Rural Housing Service**

The President seeks a steep cut in the Section 515 program, going from $99 million in FY05 to $27 million in FY06. There was one bright light in the rural housing programs where the Rural Rental Assistance Program was increased in the FY06 request from $587 million to $650 million.

For further information contact the National Low Income Housing Coalition at the address in *Headlines Directory.*

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**HUD Awards**  
(Continued from page 4)

**Illinois Grants**

Total Illinois grants came to approximately $72.7 million (up from $65.6 million in 2003). In total Continuum of Care and Emergency Shelter Grant funding, Illinois ranked fourth in the nation in the amount received, exceeded only by California, New York and Pennsylvania with $228.4, $139.7 and $78.9 million respectively. Illinois was also fourth behind the same states in total CoC award amounts and fifth in Emergency Shelter Grants. (See tables on pages 3 and 4. HUD officials acknowledge that there may be some errors in these data.)

Of Illinois’ share, approximately $65.2 million will go to approximately two hundred thirty-five projects serving homeless families and individuals in areas covered by twenty-one Continuums of Care in the State.

Each Continuum of Care in Illinois brings together non-profit groups, the private sector and local and state governments in a partnership to design local programs to help homeless people become self-sufficient. Programs funded by the Continuum of Care grants will provide transitional and permanent housing assistance and will help people overcome problems that can lead to homelessness, such as a lack of basic education and job skills, mental illness and drug addiction. The amounts awarded to states, local governments and non-profit groups based on a number of factors that measure the effectiveness of their respective individual plans to help homeless people.

An additional $7.6 million in Emergency Shelter Grants were also awarded in Illinois to eleven entitlement communities and to the State of Illinois for distribution to non-entitlement areas. Those resources will provide food and shelter on a short-term basis to homeless people. These grants are awarded through a formula based on a community’s housing and poverty needs. States and cities select projects to receive funding.

For further information, contact Darrel Bugajsky of the Chicago HUD office at (312) 353-1696, ext. 2720 or the address in *Headlines Directory.*

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Private Resources

Deutsche Bank Americas Foundation
(formerly BT Foundation)
60 Wall St., NYC60-2110
New York, NY 10005-2858
Telephone: (212) 250-0539
URL: www.cib.db.com/communityunity/htm/db_americas_foundation.html

Contact: Asad Mahmood, General Manager

Areas of Interest: Community development; economic development; housing/shelter; housing/shelter development; human services; urban/community development; youth development services. Types of Support: Capital campaigns; continuing support; employee matching gifts; general operating support; internship funds; program development; program-related investments/loans; technical assistance. Limitations: Giving primarily in areas of company operations. No support for religious purposes, veterans’, military, and fraternal organizations, United Way agencies unless they provide a fundraising waiver, political parties or their candidates, professional or trade associations, or legal advocacy. No grants to individuals, or for endowment campaigns, films, or performing arts. Application Information: Support is limited to three years. Application form not required. Applicants should submit the following:

- Statement of problem project will address.
- Copy of IRS Determination Letter
- Brief history of organization and description of its mission
- Copy of most recent annual report/audited financial statement/990

Eitzinger Family Foundation
3675 Cuba Rd.
Long Grove, IL 60047

Areas of Interest: Giving primarily for health and higher education. Funding also for human services; children/youth services; federated giving programs; health care; higher education; homeless human services; human services; medical research; Salvation Army. Limitations: Giving primarily in Chicago. Note: This is all the information given.

The Enterprise Foundation
10227 Wincopin Cir., Ste. 500
Columbia, MD 21044-3400
Fax: (410) 964-1918
Email: mail@enterprisefoundation.org
URL: www.enterprisefoundation.org

Contact: F. Barton Harvey III, Chair. and CEO

Areas of Interest: Fit and affordable housing, moving out of poverty into the mainstream of American life. Housing/shelter development; housing/shelter public housing.

Housing Programs of the foundation:

Jim & Patty Rouse Award:
Each year, one of two winning organizations, will receive a grant award of $5000 in unrestricted funds. The purpose of this award program is to recognize and share the important work accomplished by community-based and regional nonprofit organizations, and Tribes/Tribally Designated Housing Entities (TDHE’s),

(Continued on page 7)
that develop affordable housing and are engaged in comprehensive community revitalization efforts.

MetLife Foundation Awards for Excellence in Affordable Housing: The awards program recognizes 501(c)(3) community-based or regional nonprofit organizations and Tribes or Tribally Designated Housing Entities that excel in property and asset management or provide housing to people with special needs. Awards are presented in two categories: Supportive Housing and Property and Asset Management, and the prize money may be used to cover any of the winning organizations. First place winners will receive $25,000, second place winners receive $15,000, and third place winners receive $10,000.

The Frederick P. Rose Architectural Fellowship: The fellowship creates partnerships between new architects and community-based organizations to direct the skills and passions of the architects in the service of low and moderate-income communities and encourages architects to become life long leaders in public service and community development.

Types of Support: Building/renovation; general operating support; loans, grants and equity investments for new and renovated housing; program-related investments/loans.

Limitations: Giving on a national basis. Application Information: See website for application. An application form is required. The board meets in January, April, July, and October. The deadlines are: April 5 for the Jim & Patty Rouse Award; April 30 for MetLife Foundation Awards; March 29 for Frederick P. Rose Architectural Fellowship. The only final notification given is June 30 for the Rouse Award.

Note: This foundation type is a public charity.

Rural Housing

(Continued from page 3)

To develop new affordable apartments in rural areas, the budget doubles funding for USDA’s Section 538 loan guarantee program. That program, however, helps tenants with higher incomes than Section 515. The average income of Section 515 tenants, three-quarters of whom are elderly, is just over $9,000. Rural Housing Service staff estimate that only 5 to 7 percent of the tenants in Section 538 units have very low incomes, compared to 93 percent of Section 515 residents. (Very low income is federally defined as an income less than 30 percent of the median income in the area.)

At the same time, the Department of Housing and Urban Development’s budget again requires local housing authorities to keep costs of Section 8 assistance to renters at past levels – meaning that as inflation drives rent costs up, fewer renters can be helped with the same dollars. Aid levels to Native Americans, elderly persons, and people with disabilities would be reduced as well.

The HUD budget also proposes to cut demand. The budget documents seem to imply that owners of many Section 515 properties would be permitted to leave the program and raise their rents. USDA would provide vouchers for tenants to move to other buildings but in many rural places there are few or no other rental properties.

Project NOW

(Continued from page 1)

services through our outreach division, worked long-term with our home buyer counselor or are successful graduates of the homeless services transitional housing program. Project NOW connects families with the supports they need to realize their potential. “Once families realize there’s a way to resolve credit issues, they are motivated to pay off collections and save for the $1,000 they need to qualify for the program,” according to Anne Corbi, Housing Director. Removing barriers is key to making home ownership a real opportunity for those low-income families moving out of poverty.

Project NOW offers ten home buying seminars a year, including at least one class in Spanish. US Bank, First Midwest Bank and THE National Bank provide mortgage financing for the purchase. Project NOW supplements with one-on-one counseling and a financial package of assistance funded through IHDA and the Federal Home Loan Bank of Chicago.

All the families served by Project are low income, with the majority of the households headed by single females.

For further information, contact:

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Project NOW
418 19th St.
Rock Island, Illinois 61201
(309) 793-6391
ACorbi@projectnow.org
www.projectnow.org
Headlines Directory

Center for Community Change
1000 Wisconsin Avenue, NW
Washington, DC 20007
Phone: (202) 342-0567
Fax: (202) 342-3562
http://www.communitychange.org

Center for Budget and Policy Priorities
820 First Street, NE, Suite 510
Washington, DC 20002
Ph: (202) 406-1080
Fax: (202) 406-1056
http://www.cbpp.org

Corporation for Supportive Housing
1 N. LaSalle, 12th Floor
Chicago, IL 60602
Phone: 312 697-6125
Fax: (312) 638-6464
Email: ncch@ncch.org
http://www.endhomelessness.org/

P.O. Box 8293
Chicago, IL 60611
401 N. Michigan Ave., Suite 900
Chicago, IL 60611
Telephone: (312) 939-6074
Fax: (312) 939-6822

Statewide Housing Action Coalition
11 E. Adams, Suite 1501
Chicago, IL 60603
Phone: (312) 939-6074
Fax: (312) 939-6822

Supportive Housing Providers Association
3417 North Monticello
Chicago, IL 60618
Telephone: (773) 588-0827
Fax: (773) 267-1294
supportivehousing@aol.com

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
77 W. Jackson 24th Floor
Chicago, IL 60604
704 W. Boynton
Marion, IL 62959
P.O. Box 100
Springfield, IL 62701
Telephone: (217) 403-6222
Fax: (217) 403-6217

CHICAGO COALITION FOR THE HOMELESS
1325 S. Wabash, Suite 205
Chicago, IL 60605
E-mail: cifbank@aol.com
Telephone: (217) 782-1206
Fax: (217) 785-6142
http://www.commerce.state.il.us/

Rural Development
2118 W. Park Cir, Suite A
Champaign, IL 61821
Telephone: (217) 403-6222
Fax: (217) 403-6231

Southern Illinois Coalition for the Homeless
1 N. LaSalle, 12th Floor
Chicago, IL 60602
Phone: 312 697-6125
Fax: 312360/7280
Email: il@csh.org

www.csh.org

Food Research and Action Center
1875 Connecticut Avenue, NW, # 540
Washington, D.C. 20009
Telephone: (202) 986-2200
Fax: (202)986-2525
foodresearch@frac.org

Housing Assistance Council
1025 Vermont Ave, NW, Suite 606
Washington, D.C. 20005
Telephone: (202) 842-8600
Fax: (202) 842-8601
http://www.ruralhome.org

Illinois Coalition Against Domestic Violence
801 S. 11th
Springfield, IL 62703
Telephone: (217) 789-2830
Fax: (217) 789-1939
http://www.ilcadv.org

Illinois Coalition to End Homelessness
Matthew Hanafee, Executive Director
P.O. Box 3956
Oak Park, IL 60303-3956
Telephone: (708) 263-3590
Email: ILHomeless@aol.com

Illinois Community Action Association
3415 Liberty Drive
Springfield, IL 62704
Telephone: (217) 789-0125
Fax: (217) 789-0139
http://www.icaanet.org

Illinois Department of Commerce and Economic Opportunity
620 E. Adams, CIPk-3
Springfield, IL 62701
Telephone: (217) 785-6142
Fax: (217) 782-1206
http://www.commerce.state.il.us/

Illinois Department of Human Services
Homeless Services and Supportive Housing
400 W. Lawrence, 2C
Springfield, IL 62762
Telephone: (217) 782-1317
Fax: (217) 524-6029
http://www.state.il.us/agency/dhs/

Illinois Food Bank Association
P.O. Box 8293
Springfield, IL 62791
(217)522-4022
E-mail: cfbank@aol.com

Illinois Housing Development Authority
401 N. Michigan Ave., Suite 900
Chicago, IL 60611
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Fax: (312) 836-2855
TDD: (312) 836-5222
http://www.ihda.org/

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400 W. Lawrence, 2C
Springfield, IL 62762
Telephone: (217) 782-1317
Fax: (217) 524-6029
http://www.state.il.us/agency/dhs/

National Alliance to End Homelessness
1518 K St, NW, Suite 206
Washington, D.C. 20005
Telephone: (202) 638-1526
Fax: (202) 638-4664
E-mail: naehe@naeh.org
http://www.endhomelessness.org/

National Coalition for Homeless Veterans
333 1/3 Pennsylvania Avenue, SE
Washington, D.C. 20003-1148
Telephone: (202) 546-1969
Fax: (202) 546-2063
E-mail: ncvh@ncvh.org
http://www.ncvh.org/home.html

National Coalition for the Homeless
1012 14th Street NW, Suite 600
Washington, DC 20005-3406
Telephone: (202) 737-6444
Fax: (202) 737-6445
http://nch.ari.net/

National Community Reinvestment Coalition
1012 14th Street NW, Suite 600
Washington, DC 20005-3406
Telephone: (202) 737-6444
Fax: (202) 737-6445

National Low-Income Housing Coalition
918 F Street NW #412
Washington DC 20004
Telephone: (202) 638-2535
Fax: (202) 628-2737

National Law Center on Homelessness & Poverty
933 15th St., NW, #540
Washington, DC 20005
Telephone: (202) 628-9800
Fax: (202) 628-2737

National Coalition Against Domestic Violence
801 S. 11th
Springfield, IL 62703
Telephone: (217) 789-2830
Fax: (217) 789-1939
http://www.ilcadv.org

National Rural Housing Coalition
1012 14th St., NW, #540
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1325 S. Wabash, Suite 205
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Fax: (202) 393-1973
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http://www.hud.gov/local/chi/