Goodbye, Hello!

Older readers will remember The Beatles singing “I don’t know why you say goodbye, I say hello!”

This December issue of Homeless Headlines will be the last, after a run of more than 20 years. It has been a delight for the Illinois Association of Community Action Agencies to play some small role in your working together with the some of the most vulnerable among us. The Headlines funder, the Illinois Department of Human Services and the, Bureau of Homeless Services and Supportive Housing shares that sentiment.

But this is not an ending, just a change in our partnership with you. Beginning in January of 2012, IDHS and IACAA will be working even closer with you, providing direct services to families and individuals experiencing homelessness. Older readers will remember The Beatles singing “I don’t know why you say goodbye, I say hello!”

Proposed HOME Regulation Changes

The long-awaited proposed changes to the HOME program regulations were published in the Federal Register on December 16. Select features of the proposed rule are highlighted here, with an emphasis on multifamily housing and community housing development organizations. Comments on the proposed regulations are due February 14, 2012.

Troubled HOME-Assisted Rental Projects

A new section of the regulations is proposed to facilitate preservation of financially troubled HOME-assisted rental projects at risk of failure or foreclosure. If operating costs significantly exceed operating revenue, a project will be considered no longer (Continued on page 4)
On December 20, 2011, HUD announced the homeless assistance projects being awarded under the 2011 Continuum of Care (CoC) competitive grants process. Approximately $1.47 billion is being awarded nationally for renewal competitive programs. The competitive programs provide funding for transitional and permanent housing and supportive services. The awards will keep nearly 7,100 local homeless assistance programs operating in the coming year.

The reports are organized by state and then by continuum, or community. Within each listed continuum are the organizations that will be assisted with HUD’s awards for competitive programs. Illinois awards totaled $83,164,397. They may be viewed at http://portal.hud.gov/hudportal/documents/hudoc?id=11_illinois_renewals.pdf

HUD’s Continuum of Care grants announced today provide permanent and transitional housing to homeless persons as well as services including job training, health care, mental health counseling, substance abuse treatment and child care. Continuum of Care grants are awarded competitively to local programs to meet the needs of their homeless clients. These grants fund a wide variety of programs from street outreach and assessment programs to transitional and permanent housing for homeless persons and families.

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On December 9, 2011, HUD continued its process of implementing the HEARTH Act by publishing the proposed rule for HMIS Requirements. The HEARTH Act required HUD to establish standards related to HMIS, including standards related to encryption of the data collected and the rights of persons receiving services under the McKinney-Vento Act. For more information and to read the proposed rule, go to www.hudhre.info/index.cfm?do=viewResource&ResourceID=4569

Interested parties should submit comments to www.regulations.gov by February 7, 2012. Note, this rule is being published for public comment and not for effect.
In a recent report, The National Center for Children in Poverty (NCCP) argues that rent burden, defined as spending more than 30 percent of household income on rent, is a pressing housing problem that affected 75 percent of low income households with children in 2009. The researchers contend that a decreased rent burden can reduce material hardship while also reducing family stress, two key factors contributing to the well-being of children.

NCCP analyzed American Community Survey (ACS) data from 2002 through 2009 and found that while rates of rent burden among households with children remained relatively stable from 2002 to 2005, they have been increasing since 2006. In 2009, over half (54 percent) of families with children experienced rent burden. This rate is much higher among families earning at or below 50 percent of their area’s median income, with three out of four low income families facing rent burden in 2009 (up from 67 percent in 2002). NCCP analyzed these rates by geographic region, race or ethnicity and parental nativity and found that families living in urban areas have higher rates of rent burden than those in rural areas, black and Hispanic families have higher rates than other races and children of two immigrant parents are more likely to face rent burden than those of native-born parents.

The report, citing findings from other research publications, indicates that families living in unaffordable housing are more likely to experience food insecurity and limited access to healthcare, and are more likely to live in overcrowded homes. According to residential stability theories presented in the report, housing assistance can promote the well-being of children and youth by lowering rents as well as reducing eviction rates. Housing subsidies also act as an income enhancer, adding to the financial stability of families. Moreover, the pattern of repeating grades in school, according to the report, increases among children who live in less-affordable housing.

The authors conclude that housing assistance programs can be improved with greater funding. Additional funding, according to the researchers, can go a long way toward reducing lengthy waiting lists and serving more families in need of assistance.

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financiably viable. HUD would be able to allow a jurisdiction to invest additional HOME funds in the project, as long as the original investment plus the additional investment did not exceed the per-unit subsidy limit in the current regulations. In addition to rehabilitation, the additional funds could be used for recapitalization of project reserves for the HOME units. The new rule would allow, but not require, HUD to extend the affordability period. HUD could also permit the jurisdiction to reduce the number of HOME-assisted units in the project, but only if the project has more than the minimum number of required HOME units.

Rental Housing Provisions

The proposed rule would require a jurisdiction to submit marketing information and, if appropriate, a marketing plan if multifamily housing is not occupied by eligible tenants within a time period specified by HUD following the date of project completion. The preamble to the proposed rule specifically seeks suggestions about the length of such a time period, and offers examples of a period that is no less than 90 days but no more than six months.

HUD will require repayment of HOME funds for any unit that is not rented to eligible tenants 18 months after project completion. The proposed rule would be revised to specifically state that HOME rent limits include both rent and utilities or utility allowance.

Under the existing rule, in a rental project with five or more HOME-assisted units, 20 percent of the HOME-assisted units must be occupied by households with incomes below 50 percent of area median income who pay “low HOME rents.” The proposed rule would make it clear that jurisdictions may designate more than 20 percent of units in a project as low HOME rent units regardless of project size. Low HOME rent is either a fixed rent that does not exceed 30 percent of the annual income of a hypothetical household whose income does not exceed 50 percent of the area median income, or a rent that is less than 30 percent of a household’s income.

Current regulations require on-site inspections annually if there are more than 26 units, every other year if there are five to 25 units, and every three years if there are one to four units. HUD proposes to reduce on-site inspections to every three years.

Tenant-Based Rental Assistance (TBRA)

New language would expressly state that HOME can be used to pay utility deposits in conjunction with HOME TBRA or security deposit assistance. However, stand-alone utility deposit assistance is not eligible.

Existing regulation allows TBRA to be targeted to those with special needs. The proposed rule adds that participation may be limited to persons with a specific disability if doing so is necessary to provide housing, aid, benefit or services that are as effective as those provided to others.

The proposed rule would allow use of HOME TBRA to be tied to a self-sufficiency program in which a family is required to participate as a condition of selection for TBRA. However, people with disabilities may not be required to participate in medical or disability-related services as part of a self-sufficiency program. A family’s failure to continue participation would not be a permitted basis for terminating assistance, but renewal of TBRA could be a conditioned on participation.

HUD proposes to allow TBRA for a lease-purchase homebuyer program for a period of up to 36 months.

Tenent Protections

A number of tenant protection features would be added, including:

There must be a written lease for all HOME-assisted rental units and units rented by recipients of HOME TBRA. Supportive services related to a disability cannot be mandatory. An increase in a tenant’s income does not constitute good cause for termination or refusal to renew. A tenant’s failure to follow a transitional housing services plan is a permissible basis for terminating a tenancy or refusing to renew a lease. If an owner converts rental units to homeownership units, a tenant’s refusal to purchase their unit does not constitute grounds for eviction or for failure to renew the lease.

HOME Funds and Public Housing

A new section of the rule would allow HOME to be used to develop HOPE VI units, as long as federal capital funds received by a public housing agency (PHA) are not also used to develop the HOPE VI units. These units could, however, receive operating assistance from the
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PHA’s federal public housing operating fund, and they could also subsequently receive capital funds for modernization and rehabilitation. The HOME statute prohibits using HOME for public housing.

Ineligible Activities

Jurisdictions may not charge low income beneficiaries for various administrative costs such as construction management fees, loan processing fees, loan servicing fees, and underwriting fees. However, the preamble states that jurisdictions could charge reasonable and customary fees such as credit reports and appraisal fees. Project owners could charge nominal application fees, as allowed under the current rule, but the proposed rule adds that such fees may not create an undue impediment to participation by low income households. Owners of rental projects could not charge tenants fees that are not reasonable and customary, such as a monthly fee for access to laundry facilities.

Termination and Repayment

The proposed rule adds a new feature specifying that projects not completed within four years from the date of project commitment are deemed terminated and the jurisdiction must return all funds to its HOME account. The jurisdiction may request a 12-month extension from HUD by submitting information about the project’s status, steps being taken to overcome obstacles, proof of adequate funding, and a schedule with milestones for completion.

Related Consolidated Plan Changes

The Annual Action Plans of Consolidated Plans would require jurisdictions to describe applicants eligible to apply for funds, as well as the jurisdiction’s process for soliciting and funding applications.

HUD would allow jurisdictions to limit beneficiaries or give preferences to a particular segment of the low income population, but only if described in the Action Plan. Some jurisdictions have sought to target rental projects to artists or nurses, and homeownership to police or teachers.

Community Housing Development Organizations

The HOME statute requires that at least 15 percent of a jurisdiction’s HOME allocation be reserved for use by CHDOs, which are to be accountable to the low income communities they serve, primarily by requiring their governing boards to have significant representation by low income community residents.

The proposed rule has a number of changes pertaining to CHDOs:

- Existing rules require a CHDO to have demonstrated capacity for carrying out HOME-assisted activities, but allows an organization to demonstrate capacity by engaging an experienced consultant who can both carry out HOME-assisted activities and also train key staff so that they can gain the needed capacity. HUD is concerned that some CHDOs have relied on consultants without developing internal capacity. Therefore, the proposed rule would eliminate the use of consultants to meet the demonstrated capacity requirement; a CHDO must have paid employees on staff with housing development experience. In addition, the proposed rule would also specify that volunteers or donated staff do not meet the demonstrated capacity requirement.

- Jurisdictions will have to certify that an organization meets the CHDO definition and that the organization has the capacity to own, develop, or sponsor housing each time CHDO funds are committed to it.

- The definition of “commitment” of HOME funds would remove references to reserving funds to CHDOs because such reservations are not project-specific. Funds will be considered “reserved” when there is a written agreement between the jurisdiction and the CHDO committing funds to a specific project.

- The proposed rule would require jurisdictions to commit CHDO funds within 24 months; the existing rule merely requires a general “reservation.” In addition, to provide an incentive for jurisdictions to move CHDO set-aside funds from nonperforming CHDOs to those that are performing well, the proposed rule would require HUD to reduce or recapture CHDO funds not expended within five years.

- Currently, the rule allows a jurisdiction to use up to 5 percent of its allocation for CHDO general operating expenses. The proposed rule would clarify that CHDO operating funds are separate from and are not intended to supplant the 15 percent CHDO set-aside funds.

- If a for-profit entity creates a CHDO, its officers and employees could not be officers or employees of the CHDO, and the CHDO could not use the for-profit entity’s office space. This is intended to prevent the CHDO from being influenced by the profit motive of the for-profit entity.

- Existing rules allow a public entity to create a CHDO as long as no more than one third of the CHDO’s governing board is appointed by the public entity and no more than one third are public officials or employees of the HOME participating jurisdiction.

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Mutual of America Foundation

320 Park Ave.
New York, NY 10022-6839
Telephone: (212) 224-1147
Contact: Thomas Gilliam, Chair, and C.E.O.; Theodore Herman, Vice-Chair. FAX: (212) 207-3001
E-mail: thomas.gilliam@mutualofamerica.com
URL: www.mutualofamerica.com/about/CommunityBuilding.asp

Type of Grantmaker: Company-sponsored foundation

Limitations: Giving primarily areas including Illinois.

Financial Data: (Year ended 12/31/09):
Total giving: $18,550,692
Giving activities include: $18,550,692 for 2,182 grants (high: $700,000; low: $25).

Number of Staff: 1 part-time professional; 2 part-time support

Purpose and Activities: The foundation supports programs designed to promote education, community, health and wellness, and disaster response. Fields of Interest: Disasters, preparedness/services; Education; Health care; Human services; United Ways and Federated Giving Programs.

Population Groups: Youth. Types of Support: Curriculum development; Employee volunteer services; Equipment; General/operating support; Program development. Application Information: Application form required. Initial approach: Complete online eligibility quiz and application. Board meeting date(s): Monthly and as required. Deadline(s): None.

Application Information: Proposals should be no longer than three pages. Application form required.

Applicants should submit:
Name, address and phone
Copy of most recent annual report/audited financial statement/990
Board of directors, trustees, officers and other key people and their affiliations
Contact person
Detailed description of project and amount of funding requested

Motorola Solutions Foundation
(Formerly Motorola Foundation)
c/o Motorola Solutions, Inc.
1303 East Algonquin Rd.
 Schaumburg, IL 60196-4041
Telephone: (847) 576-6200
Contact: Matt Blakely, Dir.
Fax: (847) 576-9440
E-mail: foundation@motorolasolutions.com
URL: http://responsibility.motorolasolutions.com/index.php/communityinvestment/

Type of Grantmaker: Company-sponsored foundation

Limitations: Giving primarily in areas of company operations including Illinois. No support for discriminatory organizations, churches, religious organizations, advocacy groups, private foundations. No grants to individuals, or for endowments, conferences, seminars, tickets, or goodwill advertising, or annual campaigns for hospitals, colleges, or universities;

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no loans (except for program-related investments).
Financial Data: (Year ended 12/31/10):
Total giving: $49,385,359
Giving activities include: $48,885,359 for grants; $500,000 for loans/program-related investments.

Purpose and Activities: The foundation supports programs designed to enhance educational opportunities for children, with emphasis on underserved pre-K children; and promote the growth of targeted communities through economic development initiatives. The foundation supports programs designed to promote affordable housing for low-and moderate-income individuals; provide counseling and services to help individuals maintain housing stock; offer transitional housing units and initiatives; and provide credit counseling assistance to individuals to help them prepare for homeownership. The foundation supports programs designed to provide social services; job training; essential services; early learning and educational enrichment; and construction of community facilities for low-and moderate-income individuals and families. Fields of interest: Child development, education; Community/economic development; Community development, neighborhood development; Community development, small businesses; Economic development; Education, early childhood education; Employment, training; Environment; Housing/shelter; Housing/shelter, home owners; Housing/shelter, temporary shelter; Human services; Human services, financial counseling; Mathematics; Science; Teacher school/education. Population Groups: Economically disadvantaged. Types of Support: Building/renovation; Capital campaigns; Continuing support; Curriculum development; Employee matching gifts; General/operating support; Matching/challenge support; Program-related investments/loans; Program development; Publication.

Application Information: An interview may be requested. Proposals may be submitted using the Delaware Valley Grantmakers, Greater Cincinnati Foundation, or Grantmakers of Western Pennsylvania Common Grant formats. Application form not required.

Applicants should submit:
- How project will be sustained once grantmaker support is completed
- Qualifications of key personnel
- Statement of problem
- Population served
- Name, address and phone number
- Copy of IRS Determination Letter
- Organization history, mission
- Most recent annual report/audited financial statement/990
- Project’s evaluated method
- Descriptive literature about organization
- Board members, officers, key people and their affiliations
- Detailed description of project and amount of funding requested
- Current year’s organizational budget and/or project budget
- Listing of additional sources and amount of support
- Additional materials/documentation


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The proposed rule is revised to stress that the CHDO is not allowed to be controlled by a government entity, whether a jurisdictions or other entity such as a housing finance agency. It further specifies that officers or employees of a government entity may not be officers or employees of the CHDO, and the CHDO may not use office space of a government entity. The proposed rule also contains considerable revisions to other categories not covered in this article


For further information, go to www.hud.gov or contact the National Low Income Housing Coalition at the address in Headlines Directory.

Children and Housing
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Additionally, the researchers suggest increasing mixed-income initiatives, particularly those that would bring much needed health care, services and schools to low income communities. Lastly, the authors recommend more research to investigate the impact of housing assistance and the links between housing cost burden and the well-being of families.

The report, Rent Burden, Housing Subsidies and the Well-Being of Children and Youth, can be found at www.nccp.org/publications/pub_1043.html.
Homeless Headlines
Illinois Association of Community Action Agencies
Homeless Headlines
3435 Liberty Drive
Springfield, IL 62704

Headlines Directory

Center for Community Change
1516 U Street NW
Washington, DC 20009
Telephone: (202) 339-9300
http://www.communitychange.org

Center on Budget and Policy Priorities
820 First Street, NE, Suite 510
Washington, DC 20002
Ph: (202) 408-1080
Fax: (202) 408-1056
http://www.cbpp.org

Coalition of Citizens With Disabilities in Illinois
300 E. Monroe, Suite 100
Springfield, IL 62701
Telephone: (217) 522-7016
Fax: (217) 522-7024
http://www.ccdionline.org

Corporation for Supportive Housing
205 W. Randolph, 23rd Floor
Chicago, IL 60601
Phone: (312) 332-6690
Fax: (312) 332-7040
Email: info@chsh.org
www.chsh.org

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

Housing Action Illinois
11 E. Adams, Suite 1601
Chicago, IL 60603
Telephone: (312) 939-6074
Fax: (312) 939-6822
http://housingactionil.org

Housing Assistance Council
1025 Vermont Ave. NW, Suite 606
Washington, D.C. 20005
Telephone: (202) 842-8600
Fax: (202) 347-3441
http://www.ruralhome.org

Illinois Association of Community Action Agencies
3435 Liberty Drive
Springfield, IL 62704
Telephone: (217) 789-0125
Fax: (217) 789-0139
http://www.iaaca.net

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

Illinois Department of Commerce and Economic Opportunity
620 E. Adams, CPS-3
Springfield, IL 62701
Telephone: (217) 789-6142
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) 524-5800
http://www.dhs.state.il.us

Illinois Food Bank Association
401 N. Michigan Ave., Suite 900
Chicago, IL 60611
Telephone: (312) 836-5200
Fax: (312) 836-5286
http://www.foodresearch.org

Illinois Housing Development Authority
401 N. Michigan Ave., Suite 900
Chicago, IL 60611
Telephone: (312) 836-5200
Fax: (312) 836-5286
TDD: (312) 836-5222
http://www.ihda.org/

National Alliance to End Homelessness
5151 K Street, NW, Suite 410
Washington, D.C. 20007
Telephone: (202) 638-1526
Fax: (202) 638-4864
E-mail: nahn@nah.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: nchv@nchv.org
http://www.nchv.org/home.html

National Coalition for the Homeless
2201 “P” St., NW
Washington, D.C. 20007-3033
Phone: (202) 462-4822 x234
Fax: (202) 462-4823
Email: info@nationalhomeless.org

National Community Reinvestment Coalition
P.O. Box 8293
Chicago, IL 60611
Telephone: 773-935-4663, ext.123
supportrivtg@aol.com

National Endowment for Housing
205 W. Randolph, 23rd Floor
Chicago, IL 60601
Phone: (312) 332-6690
Fax: (312) 332-7040
Email: info@nlihc.org
http://www.nlihc.org

National Law Center on Homelessness & Poverty
918 F Street NW
Washington DC 20004
Telephone: (202) 628-2737
Fax: (202) 628-9800
http://www.nlchp.org

National Rural Housing Coalition
601 Pennsylvania Avenue, NW
Suite 850
Washington, D.C. 20004
Telephone: (202) 393-3034
http://www.nrhcweb.org

Rural Development
2318 W. Park Ct, Suite A
Champaign, IL 61821
Telephone: (217)403-6222
Fax: (217)403-6231

Southern Illinois Coalition for the Homeless
801 N. Market
 Marion, IL 62959
Telephone: (618) 993-0094
Fax: (618) 993-4013

Supportive Housing Providers Association
212 E. Ohio Street, 5th Floor
Chicago, IL 60611
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supportivths@aol.com

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
77 W. Jackson 24th Floor
Chicago, Illinois 60604-3507
Telephone: (312) 353-1996
Fax: (312) 353-5417