



## BUILDING A FRAMEWORK FOR HEALTHY HOUSING

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### Financing to Ensure Hazard-Free Housing

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### Issues

- Individual client/patient advocacy
  - Referral resources
- Non-profit/public housing planning
  - Programs to help fix properties
- Need community-wide solutions
  - Policies: equitable access to affordability
  - Market-based approach where possible

## Resources for Identifying Funds

- EPA-CDC-ATSDR Federal Grants Guide for Community Environmental and Public Health Activities
  - [www.epa.gov/CARE/collaboration.htm](http://www.epa.gov/CARE/collaboration.htm)
- CDC's Lead Branch – new tool soon
- Grants.gov
- Housing finance agencies, local prog.



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## Housing Funding Programs

### 1. Federal Block Grants

Goal:

Develop Viable Urban Communities by:

1. Providing Decent Housing and a Suitable Living Environment and
2. Expanding Economic Opportunities



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## Community Development Block Grant (CDBG) and HOME Program

- Awarded to entitlement areas, states, PJ
- CDBG can be used for community development AND housing activities - including basic systems repairs in homes
- HOME funds must bring entire home to HQS
- Controlled by Consolidated Plan

## Consolidated Plan (24 CFR 91)

HUD requires agencies w/ block grants to

(1) submit a multi-year Con Plan-

- Estimate housing needs, supply, demand –incl.
  - Lead-based paint issues
  - Actions to ensure fair housing
- Describe funding and program priorities in a five-year (or three-year) strategic plan

(2) submit annual action plan re use of \$

## Con Plan – Lead Element Requirements

- Consult health, child welfare departments
  - Examine LBP hazard and lead poisoning data, including health department's addresses for lead poisoned children
- Estimate # of units occupied by low-income/moderate-income families that have lead hazard
- Outline actions to evaluate/reduce LBP hazards
  - How relate to extent of lead poisoning and LBP hazards
  - How integrated into housing policies and programs
- Submit certificate of LSH compliance



## How to influence Con Plans to address health hazards

- Participate in required public hearings
  - Strengthen/build on LBP element
  - “Decent housing” can’t have hazards
  - Critique priorities in draft plan
- Resources
  - [www.nlihc.org](http://www.nlihc.org)
  - <http://www.hud.gov/offices/cpd/>



## Temporary Opportunity: Neighborhood Stabilization Block Grant

- Housing & Economic Recovery Act – “Emergency Assistance for Redevelopment of Abandoned/Foreclosed Homes”
- Block grant to States: purchase, rehab, redevelop foreclosed properties - \$4B
- Rehab must comply with housing safety, quality and habitability codes, laws, regulations, may include energy efficiency/conservation improvements
- Funds must be used within 18 months



## Housing Funding Programs 2. Weatherization Assistance, LIHEAP

- Per home: WAP can use 10% for health, safety
- Each LIHEAP program can use 25% for Wx
- Encourage energy efficient → health ↑
  - Vapor barriers
  - Caulking/sealing openings
  - Window replacement
  - Leak repair
- Build capacity
  - Ensure LSWP training, HH training



## Housing Funding Programs

### 3. Housing Trust Funds

- Local and state housing trust funds dedicate specific tax or fee to the production and preservation of affordable housing
  - committing resources requires a campaign
  - 600 state and local governments have agreed that affordable housing needs such resources
  - funds for special purposes or generic
- Resources
  - Local and state: [www.communitychange.org](http://www.communitychange.org)
  - National: [www.nlihc.org](http://www.nlihc.org)



## Housing Funding Programs

### 4. Federal Tax Credits

- Low Income Housing Tax Credit
  - Increasing emphasis on green design
  - State Housing Finance Agencies also manage “balance of state” block grant \$ and mortgage revenue bonds
- New Market Tax Credit
  - Economic development, \$7.7B, CDFI
- Proposed LHC/window replacement



## Housing Funding Programs

### 5. Other Public Sector Mechanisms

- Special real estate funding pool
- Revolving loan fund
- Fees on real estate transactions
- Local/state income tax credit
- Local/state property tax credit

Resource:

[www.afhh.org/buildingblocks](http://www.afhh.org/buildingblocks)



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## Housing Funding Programs

### 6. Financial Institution Incentive

- Community Reinvestment Act
- Q&A from FFIEC: What are examples of community development loans? “Rehab and construction of affordable housing... may include abatement or remediation of, or other actions to correct, environmental hazards, such as lead-based paint, that are present ...”
- Resource: [www.ncrc.org](http://www.ncrc.org)



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## Housing Funding Programs

### 7. Affordable Housing Trust Fund

- GSEs: set aside 4.2 cents/ \$100 principal balance of purchased mortgages
  - \$283 million in FY2010, over \$600 million a year by FY2012, total \$2 billion through FY2013.
- Hope for Homeowners: 1st 25%
- Remainder split 65% Housing Fund – 35% Capital Magnet Fund
- Target: very low income HH (<50% AMI)
- Units:  $\geq 80\%$  rental,  $\leq 10\%$  owner-occupied
- States allocate to agencies, non-profits



### “Programs” Reach a Lucky Few

- No entitlement for housing
- Direct federal funding discretionary:
  - \$ levels sank in FY80-83, 89-90, 95-97
- 70% of poverty households: no help
  - 6M/9M; 5M pay > 50% income for home
  - And 40% of those helped not in poverty



## Re-thinking Hazard Mitigation Funding

- Primary prevention, holistic approach involves dealing with affordability gap
  - Economically distressed properties lack income stream to support paying back financing or assure enough future value to repay lien at sale
  - Properties in disrepair need affordable capital (low cost loan) or income subsidy



## Unsubsidized Rental Properties

- 80% of renters, 27.4M households
  - 39% single family
  - 21% 2-4 unit property
  - 33% 5-49 unit property
  - 7% 50+ unit property
- Mortgage sources shifting...
  - 2001 loans for 5-49 unit: S&L 17% (vs. 37% in 1991); GSE 27% (vs. 5.5%)



## Property owner options for hazard mitigation, repair, rehab

- Fold hazard mitigation into mortgage
  - HUD's 203(k) for purchase/rehab (1-4)
  - Market, GSE policies: future unclear
  - Key issue: combined loan-value ratio
- After purchase
  - Refinance
  - Second mortgage loan



## Policy Horizons

- AHTF – implement, expand
- Write down interest on repair/rehab loans
- Housing Choice Vouchers – increase
  - Or create tax credit? Mortgage interest works.
- Fund to supplement other \$ programs
  - vs. adding \$, discretion to these programs?
- New funds from Health Savings Account
- Increase LHC grants, fund non-lead grants



## Can Housing Subsidies Cover HQS?

- Lead (deteriorated paint standard)
- IPM, radon - federal mandates
- Interior air quality— 24 CFR 982.401(h)
  - Performance requirement: free of pollutants at levels that threaten health of occupants
  - Acceptability criteria: free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants



## Contact

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