

THRIVING Neighborhoods



A CRITICAL ELEMENT OF FAMILY SUPPORT is improving where families live. Neighborhoods should provide shelter, safety, and relationships. Too many of the places we call home offer none of these. Many families find themselves as prisoners in their own physical locale—no way to get out and no way to let people in. This is particularly true in low-income urban areas where “almost 20 percent of households do not have a telephone at home and 50 percent do not have a car” (Kids Count Data Book 2000, p. 9).

Two important ways to improve the quality of all neighborhoods are through decent, affordable housing and by improving the safety of streets and whole communities. While a number of other interventions are important to maintaining and restoring neighborhoods, housing and safety are crucial to thriving neighborhoods and to the relationships among people that sustain and maintain quality communities. However, thriving neighborhoods are not only places where families are physically safe, but also where they are connected to networks of social and emotional support. According to Mack McCarter, “the greatest need is to discover ways to restore safe and caring communities. Unless we find a way to do that, we will continue with the process of disintegration and decline” (Westerfield, 2001, p. 49).

AFFORDABLE HOUSING

Despite the fact that two-thirds of households in the United States own their homes, many people are struggling to find decent shelter. According to a report from the National Low Income Housing Coalition (1999), in no local jurisdiction in the United States can a full-time, minimum-wage worker afford Fair Market Rent (FMR) for a one-bedroom unit in his community, and in 70 metropolitan areas, minimum-wage workers must work more than 100 hours a week to afford FMR in their area. In addition, the 800,000 people who are homeless continue to be underserved.

The greatest need is to discover ways to restore safe and caring communities.

Mack McCarter
Shreveport-Bossier
Community Renewal
Shreveport, LA

Most affordable-housing programs focus on providing access to decent, modestly priced shelter—to solve a family's immediate housing problem. However, many housing programs offer much more. When people connect to a comprehensive housing strategy, they connect to a set of relationships that often dramatically changes their lives (Schubert).

Nonprofit developers, community groups, and government have been instrumental in addressing the availability of housing and the stabilization of neighborhoods in the following ways:

- Developing and building new units of affordable rental housing.
- Rehabilitating existing rental- and owner-occupied housing and bringing it up to code.
- Developing supportive housing to provide affordable housing and services to individuals with special needs.
- Developing programs to expand home ownership among low-income families.
- Working to prevent homelessness by helping individuals and families avoid eviction and by providing emergency aid and transitional housing for the homeless.



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A variety of reports that draw on case studies, focus-group discussions with residents and homeowners, analyses of program documents and financial statements, property inspections, and interviews with program staff indicate that affordable-housing efforts require multiple funding sources, deep subsidies, and a long-term strategy. Funding for predevelopment activities is important to long-term success, but increasingly difficult to obtain (Rohe, et al.). Sponsors need to develop long-term partnerships with a variety of community institutions and groups, including financial institutions, lenders, foundations, government agencies, and other nonprofit groups.

Programs that build or rehabilitate affordable rental property have been successful in providing decent, affordable housing to low-income persons, maintaining the properties, keeping residents satisfied, and meeting their day-to-day financial obligations (Rohe, et al.; Bratt, et al.; *Community Information Exchange*, 1995). Likewise, programs that promote home ownership among low-income families are also successful in providing decent housing and generally show low default rates (Applied Real Estate Analysis).

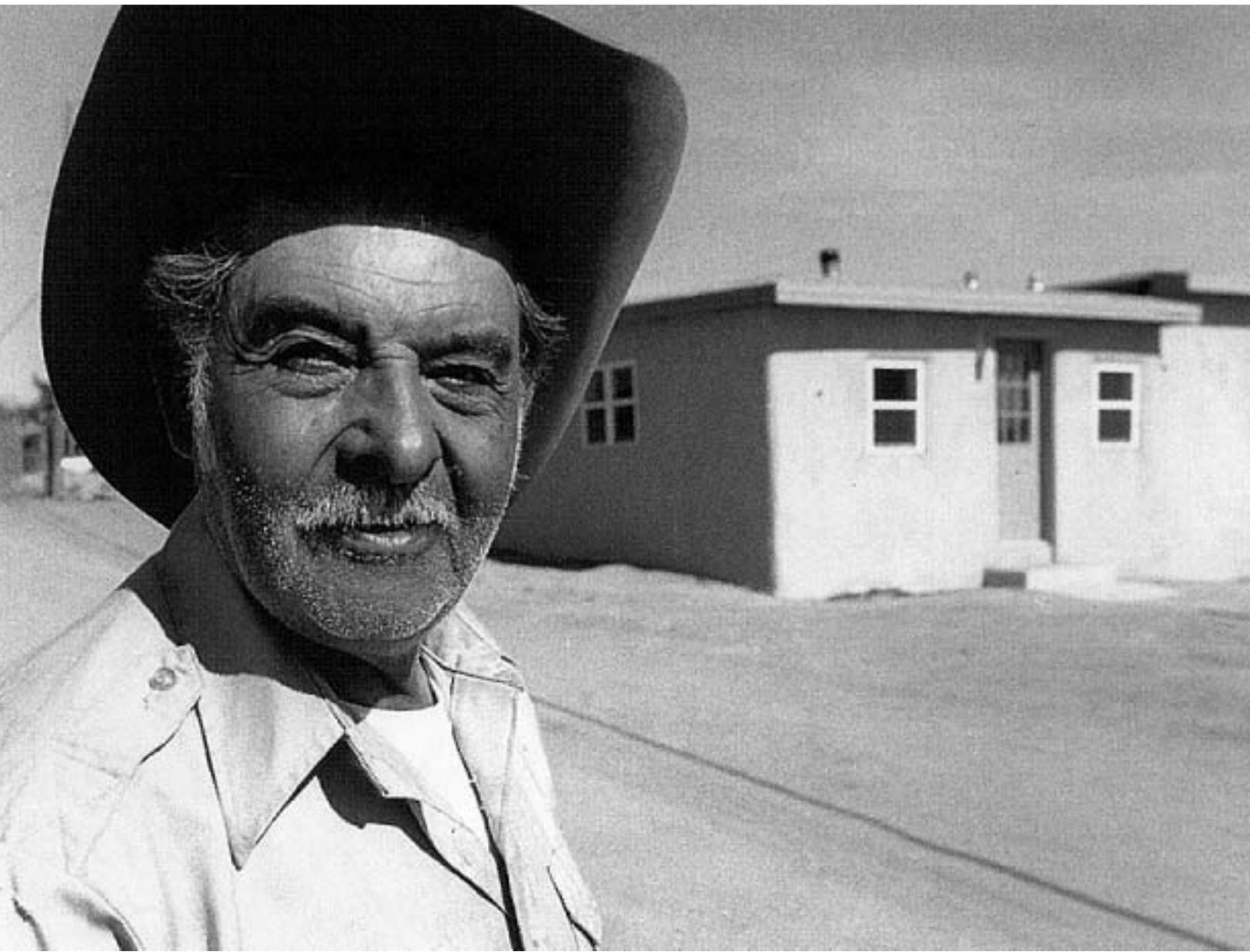
Finally, affordable housing is not one-size-fits-all. As communities analyze their housing needs and their response, it is important to be aware of affordable-housing options and the different areas of demand.



HOMEOWNERSHIP

Several studies suggest that homeownership is positively linked to family stability, improved property maintenance, improved residential satisfaction, neighborhood stability, and increased civic participation (Rossi & Weber; Rohe & Stewart; Schubert). Expanding homeownership among low-income families is seen as a way to contribute to community improvement as well as individual satisfaction.

Strategies for increasing access to owned housing include reducing the cost of buying a home for low-income residents by lowering down payment requirements or monthly payments, increasing access to credit, and educating potential buyers about the responsibilities of homeownership. Although there is no conclusive evidence to show that pre-ownership counseling is effective (Quercia & Wachter), homeownership programs that are considered to be successful typically provide pre-purchase counseling, training, and screening, and pre-qualify buyers in addition to offer-



ing financing assistance. Developing creative financing approaches to meet down payment requirements and cover the additional cost of necessary repairs are considered particularly critical in assisting low-income buyers (Neighborhood Reinvestment Corporation). This process often requires unique partnerships between lending institutions, nonprofits, and government.

What Works in Programs Offering Counseling and Training to Low-Income Homebuyers

The Enterprise Foundation's case studies of assistance programs for low-income homebuyers concluded that programs that combine marketing, intake screening, counseling, training, and secondary financing are fairly typical and seem to be effective. They recommend the following practices:

- *Rely on clients and partners to market the program.*
- *Set some minimum entrance requirements, do basic screening over the phone, and require clients to bring financial documentation to an intake interview.*
- *Engage clients early in the homebuying process.*
- *Pre-qualify and counsel clients in the intake interview.*
- *Screen out unqualified clients early on, but don't turn people away without giving them a plan to become eligible.*
- *Offer classroom training after, not before, intake and initial counseling.*
- *Require about eight hours of group training.*
- *Provide group training early in the program and counsel clients separately.*
- *Make one-on-one counseling available throughout the purchase process.*
- *Adopt better approaches to lead-hazard abatement in older homes.*

Adapted from Werwath P. (1996). *Helping Families Build Assets: Nonprofit Homeownership Programs*. Columbia, MD: The Enterprise Foundation, pp. 17-21.
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What Works in Providing Financial Assistance in Homeownership Programs

The Enterprise Foundation recommends the following practices to finance homeownership for low-income families:

- *Convince lenders to offer high loan-to-value (LTV) first mortgage products.*
- *Use higher amounts of non-conventional financing in low-valued markets.*
- *Use soft second mortgages to bridge large affordability gaps—this is essential when a client's income is too low to afford even the lowest-priced housing.*
- *Do not make underwriting ratios too high; it's best to keep them below 33/38.*
- *Use amortizing loans to recycle subsidy funds where possible.*
- *Use stronger resale restrictions in appreciating markets.*
- *Do not forgive all the debt on soft second mortgages.*
- *Streamline the processing of tandem loans to avoid multiple underwriting processes.*
- *Ask banks to help process secondary financing.*
- *Reduce delinquency and default rates with better collections work, and set up better systems for early intervention and communication.*

Adapted from Werwath P. (1996). *Helping Families Build Assets: Nonprofit Homeownership Programs*. Columbia, MD: The Enterprise Foundation, pp. 17-21.
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Despite successful counseling programs, consistent cash flow continues to be a major challenge for first-time homeowners. However, while default rates vary among different programs, research shows clearly that all programs should be cognizant of the additional financial demands that homeownership may bring (Rohe, et al.; Werwath; Applied Real Estate Analysis).

Post-purchase financial assistance and other supports (e.g., home-maintenance training, home-maintenance service, and foreclosure preven-

tion) are considered critical elements in programs that offer them (Applied Real Estate Analysis; Neighborhood Reinvestment Corporation). The Enterprise Foundation recommends, in addition, more timely intervention and better debt-collection policies to reduce default and delinquency rates (Werwath).

Two program models—Habitat for Humanity (which uses sweat equity, socially motivated volunteers, and a revolving loan fund capitalized with grants and contributions) and the Neighborhood Development Foundation (which helps buyers obtain conventional mortgages and subsidies from other sources and provides homebuyer training and counseling)—have been cited for their effectiveness and potential replicability (Werwath).



AFFORDABLE RENTAL HOUSING

Common sense dictates characteristics of successful rental-housing efforts. Such basic ingredients of good property management include resident screening and selection; timely rent collection; setting and enforcing rules; implementing eviction procedures; maintaining accurate records; providing maintenance and repairs; and maintaining building safety and security (Rohe, et al.; Bratt, et al.; Sullivan). Over and above these basic functions, enriched or enhanced property management is also concerned with providing services or organizing activities that contribute to the well being of individual tenants and that build a sense of community. These can include social work and counseling, employment and training, daycare, activities for children and youth, health services, and services for the elderly (Sullivan; Bratt, et al.). However, while sponsors view the ability to provide services to low-income residents or to link them to services as critical to maintaining the well being of the tenants and property, as yet the cost-effectiveness of this approach has not been proven (Bratt, et al.).

A few caveats of affordable rental-property management and development include:

- The ability of affordable-housing property managers to provide quality asset management and to ensure the long-term financial stability of affordable-housing developments is a major concern (Rohe, et al.; Bratt, et al.).

- Careful screening of applicants and the rapid removal of problem tenants can help keep the occupancy rate high and avoid financial problems (Rohe, et al.).
- Many sponsors consider tenant-organizing a tool of good property management that contributes to the smooth functioning of the building (Bratt, et al.).
- Housing developments should be located in close proximity to transportation or have access to employment and educational opportunities and services such as daycare and shopping (Rohe, et al.).



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The quality of the initial construction and soundness of the financial underpinning have long-term effects on property management and resident satisfaction. Developments that are poorly constructed and under-financed will have more difficulty maintaining the property in good condition and satisfying the tenants (Rohe, et al.; Bratt, et al.). Further, scattered-site housing is inherently more difficult and more expensive to manage than developments with a larger number of units (Bratt, et al.).

SUPPORTIVE HOUSING

Special-needs housing or supportive housing is for people who cannot maintain housing stability on their own and need supportive services to meet their needs. The target group typically includes people with mental illness, developmental disabilities, physical disabilities, HIV/AIDS, substance abusers in recovery, at-risk single parents, at-risk youth, and programs that serve low-income or formerly homeless individuals. Supportive housing can be either transitional or permanent, but the development trend is toward providing permanent housing (*Community Information Exchange, 1995*).

Services are an integral part of supportive housing and typically require strong partnership arrangements with other community groups. Sponsors debate whether they should be mandatory or voluntary and whether to offer them onsite or offsite, but there is general agreement that the quality of the services is the most important factor affecting performance of the service delivery system (Rohe, et al.; *Community Information Exchange, 1995*).

Employment programs are increasingly viewed as an important part of a comprehensive service agenda in supportive housing (*Community Information Exchange, 1995*). Early evidence from an evaluation of an intensive multi-site initiative shows encouraging results in placing residents with disabilities in employment (Proscio).

A key financing principle of supportive housing developments is that they must be economically self-sustaining, with the long-term cash flow built into the basic project underwriting. Funding uncertainties are particularly acute in supportive-housing programs because of uncertainties about the long-term availability of resources needed to fund the social services; much of it is annual funding that is very vulnerable to budget cuts. Despite the need for deep subsidies, supportive housing is far less expensive than institutionalization. The early success that programs have shown in reducing the frequency and duration of spells of institutionalization among tenants also suggests that supportive housing can produce cost savings (Rohe, et al.; *Community Information Exchange*, 1995).



HOMELESS PREVENTION AND TRANSITIONAL HOUSING

Statistics show that as many as half of all homeless adults become homeless because they are evicted or experience some other problem with the landlord or with paying their rent.

Prevention programs fall into two basic categories:

- Programs that provide legal assistance to tenants who are facing or involved in formal eviction procedures.
- Programs that provide cash assistance to enable tenants to pay all or part of their back rent—this approach can reach people who are not involved in eviction procedures but are still in danger of losing an apartment.

A comprehensive review of a range of homeless prevention programs provides the following information and conclusions:

- Several studies show that providing legal assistance or legal representation to tenants in eviction proceedings greatly increases the likelihood that the tenant can win the case or reach an agreement with the landlord.
- The effectiveness of less intensive and comprehensive legal-assistance programs that provide guidance and coaching, but not direct legal representation, is not so clear. They are more likely to result in delaying but not preventing eviction.

*There are actions
that we can take
that have the
power to change
people's lives for
the better, . . .
to mend the
tattered fabric of
our society.*

Tanya Tull
Beyond Shelter
Los Angeles, CA



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- The effectiveness of the more intensive and comprehensive legal-assistance model probably would be increased if programs targeted assistance to those most in danger of becoming homeless without an intervention, as indicated by the profile of the homeless population.
- There are several models of programs that provide emergency cash assistance to prevent families from falling into homelessness. Because they typically serve a more functioning and less disadvantaged group of at-risk families, some questions are raised about their effectiveness in preventing homelessness.
- Emergency cash-assistance programs that provided case-management assistance (household budgeting training, family counseling, and help in accessing welfare benefits) were found to be no more successful in preventing homelessness than programs that did not. This is probably because the programs target basically functional families. If a more at-risk group were targeted, case-management assistance would probably be quite beneficial.

Transitional programs for the homeless typically provide temporary or interim housing and services to homeless individuals and families living in public places to help facilitate the transition to long-term or permanent housing. Depending on the project, transitional programs may provide assistance for several days or weeks or for as long as two years. Another model is to place homeless people or families directly into permanent housing and then provide the services to build self-sufficiency.

Several studies provide evidence that a range of services can improve housing and employment outcomes for the homeless. The research methodology, however, is not very rigorous.

- A national evaluation of programs in operation from 1987 through 1990 under the U.S. Department of Housing and Urban Development's Transitional Housing Program, which funded innovative approaches combining housing and supportive services, presents descriptive data showing that program participants made progress towards independent living on three separate indicators: the majority entered stable housing after leaving the program (most in unsubsidized housing without services); employment levels were higher at program completion than at program entry; and a small percentage had increased their monthly income and reduced their dependency on welfare. Staff considered case management to be a particularly important factor in their



program's success. The study did not use a comparison or control group and did not examine longer-term outcomes (Matulef, et al.).

- A comparison group study of participants (mostly males) in transitional programs for the street homeless in New York City found that close to two-thirds of the experimental group members (who were provided with temporary housing as well as access to support services) were in permanent housing three months after leaving the program, compared to only one-third of the comparison group members (who had the same level of services but were not provided with temporary housing) (Barrow & Soto).
- A very small random-assignment study of a rural Maine program that offered a community-wide system of integrated case-managed services to help homeless persons find housing and secure employment enabling them to live independently, found that the homeless participants who received on-going case management and on-going referrals to services received more services than participants who received only initial case management and referrals. At the end of the two-year program, participants in both groups had increased their employment and employability skills, and most had moved into safe, affordable housing (*Ideas that Work*).
- Case studies of award-winning housing programs also stress the importance of integrating housing and social services in transitional housing programs (Rohe, et al.).

MAKING NEIGHBORHOODS SAFE

Americans are fearful of each other. No matter the locale, crime and violence have limited our mobility and separated us as citizens. According to the National Research Council, this fear permeates everything we do. “The diminished quality of life ranges from the ability to sit on the front porch in neighborhoods where gang warfare has made gunfire a common event to the installation of elaborate security systems in suburban homes where back doors were once left open. Surveys show that large percentages of the population fear even walking in their neighborhoods” (Reiss & Roth, 1993, p. 1).

Communities have put in place a variety of interventions to reduce crime and prevent violence. Strategies range from the popular community-policing model to installation of metal detectors to gun buybacks. While crime continues to be present in every community, research has identified why and where it is most likely to happen, as well as promising steps to take toward prevention.



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Community-level breeding grounds for crime include:

- Illegal drug markets that are closer than are prenatal and pediatric care.
- Poor and violent schools.
- Few legitimate employment opportunities (Reiss & Roth, 1993, p. 14).

In addition, factors of community disorganization further place communities at risk for crime. According to the National Research Council, such things as “high housing density, high residential mobility, high percentages of single-parent families, and the occurrence of neighborhood transitions—both economic decline and gentrification... [a]pppear to account for more of the geographic variation in violent victimization rates than do measures of poverty or income inequality” (Reiss & Roth, 1993, p. 15).

What may distinguish safe neighborhoods from unsafe ones is not the ratio of police to residents or the frequency of probation offenses but rather the social fabric of the neighborhood and the condition of families (*Safety and Justice for Communities*, 1999).

Reporting on poor communities, The Annie E. Casey Foundation says:

The reality and perception of danger clearly have an impact on whether and how families in poor communities spend time together or with their neighbors. Families are reluctant to gather in parks and playgrounds or venture out after dark with their kids. Grandparents



and other older residents—who have much to offer and much to gain from family and community networks—often remain home-bound, not because they are ill or frail, but out of fear for their safety (KIDS COUNT Data Book 2000, p.12).

To stop this vicious cycle of fear and lack of neighborhood connections, there are specific steps that communities can take to reduce the incidence of crime.

Communities are faced with decisions about funding priorities, time allocations, and staff assignments. Based on a review of more than 500 evaluations of federally funded prevention programs, a provisional list of what works, what's promising, and what is less effective was created. Using a broad definition of "crime prevention," researchers assigned strategies to each of these categories based on a minimum level of objective evidence (Sherman, et al.).

WHAT WORKS

In families with the most risk factors for violence and crime

- Arrange for frequent home visits to infants, newborn to 2 years of age, by trained nurses and other helpers to reduce child abuse and other injuries to young children.
- Establish preschool and weekly home visits by teachers to children under 5 years of age to substantially reduce arrests at least through age 15 and up to age 19.



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- Offer family therapy and parent training about delinquent and at-risk pre-adolescents to reduce risk factors for delinquency such as aggression and hyperactivity.
- Support families' ability to be self-sufficient and thriving.

Within schools

- Build the capacity of schools to initiate and sustain innovative prevention approaches through the use of school teams or other organizational strategies.
- Clarify and communicate norms to students about behavior through rules, reinforcement of positive behavior, and schoolwide initiatives (such as anti-bullying campaigns) to reduce crime, delinquency, and substance abuse.
- Teach social competency skills, such as stress management, problem-solving, self-control, and emotional intelligence, to reinforce positive behaviors over a long period of time.
- Use behavior-modification techniques and a system of rewards and punishments to coach high-risk youth in positive decision-making skills to reduce incidents of delinquency.

With law enforcement

- Reduce community nuisances by threatening civil action against landlords for not addressing drug problems on the premises.
- Assign extra police patrols in high-crime hot spots.
- Develop repeat-offender units that monitor known high-risk offenders and return them to prison more quickly.

- Establish rehabilitation programs for adult and juvenile offenders using treatments appropriate to their risk factors in order to reduce their repeat offense rates.
- Offer drug treatment in prison.
- Build trust with citizens.

With neighbors

- Ensure that parents know the neighborhood children and their children's friends.
- Make occasions and opportunities for parents to talk with each other.
- Encourage all neighbors to keep an eye on neighborhood activities and common areas.
- Develop good relationships with local law enforcement and social-service providers.

WHAT'S PROMISING

- Gang offender monitoring by community workers and probation and police officers can reduce gang violence.
- Community-based mentoring can substantially reduce drug abuse.
- Community-based, after-school recreation programs may reduce crime in the immediate area.
- "Schools-within-schools" programs that group students into smaller units for more supportive interaction or flexibility in instruction are promising.
- Job Corps, an intensive residential training program for at-risk youth, has reduced felony arrests and increased the earnings and educational attainment of participants.
- Prison-based vocational education programs for inmates seem to reduce repeat offenses.
- Relocating inner-city, public-housing residents to multiple-site suburban public housing may contribute to reduced incidents of crime.
- Metal detectors can reduce the number of weapons carried into schools, although they do not reduce assaults within or outside schools.
- Pro-active arrests for carrying concealed weapons made by officers on directed patrols in gun-crime hot spots have reduced crime.
- Community policing with community meetings to set priorities has reduced perceptions of the severity of crime problems (Sherman, et al.).

STRATEGIES THAT MAY BE LESS EFFECTIVE

- The effectiveness of gun-buyback programs operated without geographic limitations on the eligibility of people providing guns has not been proven.
- Residents' efforts alone to reduce crime in high-crime, inner-city areas of concentrated poverty do not seem to have a significant impact when they are not part of a comprehensive approach supported by other community institutions.
- Individual counseling and peer counseling of students do not seem to reduce substance abuse or delinquency, if not complemented by other interventions.
- Summer jobs or subsidized work for at-risk youth have not been proven to reduce crime or arrests.
- Short-term, nonresidential training programs for at-risk youth do not seem to have a significant impact on crime prevention.
- Citizen watch programs organized with police, especially in higher-crime areas where voluntary participation often fails, have not singularly demonstrated their impact on crime prevention (Sherman, et al.).



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THRIVING NEIGHBORHOODS STARTING-POINT RESOURCES:

Websites

Affordable Housing

Beyond Shelter

www.beyondshelter.org

Center for Community Change

www.communitychange.org

Corporation for Supportive Housing

www.csh.org

Fannie Mae Foundation

www.fanniemaefoundation.org

The Enterprise Foundation

www.enterprisefoundation.org

Department of Housing and Urban Development

www.hud.gov

Local Initiatives Support Corporation (LISC)

www.liscnet.org

National Coalition of the Homeless (NCH)

<http://nch.ari.net>

National Low Income Housing Coalition (NLIHC)

www.nlihc.org

Crime Prevention

Center for the Study and Prevention of Violence

www.colorado.edu/cspv/

Child Net

www.child.net

Office of Juvenile Justice and Delinquency Prevention

<http://ojjdp.ncjrs.org/>

National Crime Prevention Council

www.ncpc.org/

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