



Weed & Seed National IDA Demonstration Project

The Community Capacity Development Office (CCDO) is partnering with the Office of Community Services (OCS) to enhance asset-building strategies in Weed and Seed sites through Individual Development Accounts (IDAs). IDAs combined with financial literacy and Earned Income Tax Credits (EITC) can increase the capacity of low- to moderate-income families to accumulate long-term assets that provide financial security. IDAs promote savings and provide an incentive by matching 2 to 1 every dollar saved by qualifying families. Assets accumulated through IDAs may be used to purchase a home, start a business, or pursue higher education. In the case of CCDO's Weed and Seed National IDA Demonstration Project, the designation is for home ownership only.

It Is Working!

CCDO has provided technical assistance to Weed and Seed sites in FY 2006 to develop model IDA programs. The selected Weed and Seed programs conducted site assessments, developed an appropriate IDA program model to address the needs of their specific communities, secured the private match required to launch an IDA, and successfully applied for federal matching funds of up to \$1 million through the Assets for Independence (AFI) Program, Office of Community Services (OCS).

The Weed and Seed IDA Demonstration sites will identify and recruit Weed and Seed residents to participate in the initiative. Residents will receive an orientation to IDAs, participate in financial literacy and home ownership training, receive free income tax assistance through the Volunteer Income Tax Assistance (VITA) Centers to increase the utilization of the EITC, and begin a long-term savings program to attain their homeownership goals.

What Will It Accomplish?

The IDA Initiative will:

- ◆ Develop a Weed and Seed National IDA Demonstration Program resulting in approximately 275 new homeowners at an average of \$85,000 per mortgage for a total reinvestment of \$23,375,000 in Weed and Seed neighborhoods.
- ◆ Test the assumption that place-based IDA projects can stabilize high-risk neighborhoods through increased home ownership.
- ◆ Extend pre-application technical assistance to interested Weed and Seed sites to develop AFI grant applications for the federal match for IDA projects.
- ◆ Disseminate promising practices to Weed and Seed sites to move families out of poverty through homeownership.

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