



# research works

A bridge linking housing research and practice

volume 6, number 1

## Closing the Distance Between Home and Work

Trading long-distance commutes for lower housing costs is no longer a viable strategy for many low- and middle-income working families. In 28 metropolitan areas studied earlier this year, working households with incomes of \$20,000 to \$50,000 spent an average of 28 percent of their income on housing, plus an additional 30 percent on transportation.<sup>1</sup> In March of 2007, Sheila Poticha, president of Reconnecting America, told the House Appropriations Subcommittee on Transportation, Housing and Urban Development, "While finding a cheaper house in the suburbs used to be a strategy that resulted in savings, recent studies show the increased cost of transportation nearly wipes that savings out." The growing dilemma for working families is that affordable

1. Robert Puentes and Elizabeth Roberto, *Commuting to Opportunity: The Working Poor and Commuting in the United States*, March 2008, Brookings Institution ([www.brookings.edu/reports/2008/0314\\_transportation\\_puentes.aspx](http://www.brookings.edu/reports/2008/0314_transportation_puentes.aspx)).



Credit: California Department of Transportation

Mixed-use infill projects located near transit systems are a growing trend in many parts of the country.

housing and transit choices are limited, and available jobs are often too far from affordable residential areas.

This problem underscores the importance of preservation and new development of transit-oriented housing. HUD's Office of Policy Development and Research (PD&R) recently highlighted two research reports that investigate the impact of housing near public transportation. One study assesses the amount of federally assisted affordable housing currently located near public transportation in eight cities—Boston, Chicago, Cleveland, Denver, New York, Portland, St. Louis, and Seattle. In these metropolitan areas, researchers found 300,000 individuals living in 100,000 federally assisted housing units located within a half mile of actual or planned rail stations.<sup>2</sup>

2. Reconnecting America and National Housing Trust, *Preserving Opportunities: Saving Affordable Homes Near Transit*, 2007 ([www.hud.gov/offices/cpd/about/conplan/savingtransit.pdf](http://www.hud.gov/offices/cpd/about/conplan/savingtransit.pdf)).

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Sixty-three percent of these units receive federal rental assistance through contracts that will expire before 2013. If the property owners decide to withdraw these units from federal assistance programs to take advantage of attractive market prices, these units will be lost to the low-income families and elderly citizens who currently reside in them. The rental subsidies for more than 45,000 of these units fall below area fair market rents, which, according to research sponsored by PD&R, increases the probability of a unit being withdrawn from a subsidy program.<sup>3</sup>

The second report, by Good Jobs First, examines ways in which transit-oriented developments (TODs) can make both housing and employment easily accessible to working families with low and moderate incomes.<sup>4</sup> A review of 25 of these projects scattered across 13 states found several approaches to TODs that were especially effective in addressing the needs of working families:

- Community coalitions that negotiate TODs to secure concessions from the developer;
- Community development corporations that also aim to improve the neighborhood; and
- Private developers that intentionally design TODs to benefit low-income households.

The report includes examples of these approaches, such as Cherokee-Gates in Denver, Colorado and Center Commons in Portland, Oregon. Cherokee-Gates is an example of a TOD with concessions from the developer negotiated by a coalition of community groups. The \$1 billion, 70-acre, mixed-use project offers 2,500 housing units and 6 million square feet of retail, office, and entertainment space. The negotiating coalition was composed of community-based organizations that worked to keep the project responsive to community needs. As a result, the developer agreed to exclude big-box grocery stores, set aside 10 percent of sale units and 20 percent of rental units as affordable, pay the local prevailing wage to workers in privately funded infrastructure construction and maintenance

3. Econometrica, Inc. and Abt Associates, *Multifamily Properties: Opting In, Opting Out and Remaining Affordable*, U.S. Department of Housing and Urban Development, Office of Policy Development and Research, 2006 ([www.huduser.org/publications/affhsg/opting\\_in.html](http://www.huduser.org/publications/affhsg/opting_in.html)).

4. Sarah Grady and Greg LeRoy, *Making the Connection: Transit-Oriented Development and Jobs*, Good Jobs First, March 2006 ([www.hud.gov/offices/cpd/about/conplan/todjobs.pdf](http://www.hud.gov/offices/cpd/about/conplan/todjobs.pdf)).



Credit: California Department of Transportation

*Transit-oriented developments can make both housing and employment easily accessible to working families.*

jobs, provide favored consideration to contractors offering health benefits and apprenticeships, extend the city's living wage to privately employed security and parking staff, focus on hiring neighborhood residents, and adhere to stronger environmental cleanup standards.

Center Commons is the brainchild of a private developer intent on designing a TOD that benefits low-income households. This development features more affordable housing units than the city required. Situated on 5 acres and located within walking distance of a light rail line, this mixed-income TOD consists of 4 apartment buildings and 26 townhouses. The apartment buildings contain affordable units for 172 seniors and 60 families, as well as 56 market-rate units. The three-story condominium townhouses were built primarily for first-time homeowners and made available to both conventional and below-median-income buyers. A daycare facility and a play area for children are located onsite. The city gave income-qualifying households property tax abatements for 10 years because of their proximity to light rail. Center Commons won a 2001 HUD Secretary's Housing and Community Design Award.

These projects are part of a growing trend in developing transit communities — mixed-use infill projects located near transit systems — and preserving affordable housing close to public transportation. The protection of affordable housing near transit assumes increasing urgency as traffic congestion grows, the housing supply shrinks, and nearby housing markets begin to rebound. A study jointly funded by HUD and the Federal Transit Administration (FTA) found that proponents of mixed-income TODs must overcome

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Smaller industrial cities have played a significant role in our country's history, and despite some economic setbacks, continue to hold promise for the future. In *To Be Strong Again: Renewing the Promise in Smaller Industrial Cities*, PolicyLink, a national research and action institute working with these cities to revitalize their economic bases, shares its analysis of 151 smaller industrial cities in the United States, most of which are clustered in the Northeast and Midwest.

These early centers of industry and commerce are now home to 7.4 million people, with populations in each city ranging from 15,000 to 150,000 and median household incomes falling below \$35,000. After decades of neglect, these smaller industrial cities share many of the same problems as their larger industrial counterparts, including high unemployment, deteriorating infrastructure, crime, concentrated poverty, and disinvestment. They are also isolated, vulnerable to the effects of sprawling growth, and often removed from the mainstream, globalizing economy.

According to PolicyLink's analysis, reversing these conditions will require more than a one-size-fits-all, cookie-cutter approach. With limited manpower and few fiscal resources compared to their larger urban counterparts, leaders of small cities must think differently in order to effectively leverage community assets and promote equitable, sustainable development. Encouragingly, the analysis also suggests that opportunities await smaller industrial cities that can position themselves as part of a larger region, attracting individuals and businesses that prefer their small-town feel. These communities not only offer a sense of place, but are also home to "untapped human capital, neighborhoods, infrastructure, and natural assets" (p.6)



*Leaders of small industrial cities must think differently to effectively leverage their community assets and promote sustainable development.*

that serve current populations and can be leveraged for future renewal.

## A Principled Framework

In its recommendations for renewal and development in these small cities, the report stresses that connections between economic success and social benefits must be forged at every turn in order to safeguard assets and cultivate opportunities. Equitable renewal and development strategies will ensure that no one is left behind, which in turn helps build a stronger, more resilient economy. These strategies must meet the needs of civic and business leaders, as well as a diverse population that includes minorities and low-income families. Leaders are encouraged to ask, "How can this program foster economic inclusion?" At the same time, the PolicyLink authors state that community development and social programs should be evaluated based on their ability to "support market recovery and competitiveness" (p. 11). The report presents other important precepts that can help foster equitable development, such as leveraging assets, prioritizing long-term progress over immediate gains, viewing problems and opportunities regionally, fostering partnerships, and making decisions in an open, transparent manner.

Within this framework, the authors advocate intervention in four areas to spur economic renewal in smaller industrial cities. These include land-use and fiscal policy, infrastructure renewal, economic revival, and neighborhood revitalization; the recommended approaches are described as follows:

- Land-use and fiscal policies must recognize the critical importance and interconnected nature of a city's fiscal health and land development policies. Communities are headed in the right direction if they systematically envision, plan, and execute reclamation and restoration of properties in distress; cooperate and strategize with neighboring jurisdictions; develop innovative financing plans coupled with reliable-return investments; and engage a wide range of stakeholders.
- Infrastructure renewal is important in shaping the areas where growth will occur. Regional interconnectivity; improving quality of life with amenities such as parks; and targeting funds for investing in infrastructure, roadways, and mass transportation

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As communities standardize their reporting and data collection efforts, a national picture of homelessness is gradually emerging in the United States. HUD is assisting these efforts through development of a nationwide Homeless Management Information System (HMIS), a data collection tool that stores person-level information about homeless people who access a given community's homeless services. The HMIS arose out of a series of congressional directives requiring the collection of standardized information on characteristics such as the pattern of shelter usage, length of stay, ethnicity, age, and service needs of homeless people.

Two types of communities have contributed data to HMIS collection efforts: representative national sample communities, known as *sample sites*, and communities with advanced HMIS systems that are not part of the national sample, called *contributing communities*. For the first time, data were collected for a full year from both sample sites and contributing communities. Although some limitations—such as changes in study methodologies and sampling errors—should be noted, a full year of data provides a better understanding of the scope and nature of homelessness and the services available. Twelve months of location-specific data also allow researchers to create a baseline for comparing the number of homeless people, their characteristics, and their patterns of service use.

*The Third Annual Homeless Assessment Report to Congress*, published by HUD, is based on HMIS data collected from more groups than ever before—61 sample sites and 37 contributing communities. These longitudinal data, in conjunction with a point-in-time estimate made on a single night in January 2007, help illustrate the scope of the problem. This most recent report provides information on seasonal patterns of homelessness, long-term shelter users, and, for the first time, community-level homelessness. The additional sample sites and data also allow a limited amount of analysis at the city, suburban, and rural levels.

On that January night, 671,888 homeless people were counted across the nation. Nearly 60 percent of them were in emergency shelters or transitional housing. The others were on the streets or in other places not intended for human habitation. Although homeless individuals were just as likely to be sheltered as on the streets, 72 percent of families were in shelters.



Credit: Christopher Beland

More than 671,000 homeless people were included in the January 2007 point-in-time estimate cited in *The Third Annual Homeless Assessment Report to Congress*.

On that night, 123,833 of those individuals counted were chronically homeless, meaning “[a]n unaccompanied individual with a disabling condition who has been continuously homeless for a year or more or has experienced four or more episodes of homelessness over the past 3 years.”<sup>1</sup> Two-thirds of this subpopulation were on the streets, rather than housed in shelters.

According to HMIS data, nearly 1.6 million people used emergency or transitional shelters between October 1, 2006 and September 30, 2007; of these, 70 percent were not accompanied by families or children. When asked about their shelter status the previous night, 58 percent of individuals and 42 percent of families were already homeless (e.g., living in another shelter or in places not meant for human habitation). Of those not already homeless, more than half became homeless after overstaying their welcome in someone else's home.

More than three-quarters (78%) of those seeking accommodation throughout the year found it exclusively in emergency shelters, whereas 16 percent used only transitional housing; 6 percent used both. On an average day, a larger percentage of emergency shelter beds (94%) were occupied than were transitional housing beds (78%). According to the report, “to the extent that homelessness is mostly an episodic or short-term phenomenon, the higher average daily utilization rates in emergency shelters is expected” (p. 52). In contrast, transitional housing beds are often set aside for a specific subpopulation, and are

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1. U.S. Department of Housing and Urban Development, U.S. Department of Health and Human Services, and Department of Veterans Affairs. “Notice of Funding Availability (NOFA) for the Collaborative Initiative To Help End Chronic Homelessness.” 68 *Federal Register* 4017, January 27, 2003.

## Renewing Hope for Small Industrial Cities continued from page 3

are essential to strengthening the foundation of older, smaller industrial cities.

- Economic renewal in these localities should be plotted around the idea of building, leveraging, and coordinating assets on a city and regional scale. This might include structuring job training programs to better serve industry needs; improving educational attainment and investing in educational opportunities; encouraging entrepreneurship and business innovation, accountability enforcement, and cultural benefits; and finding new market niches.
- Neighborhood revitalization to develop inclusive residential areas that appeal to residents, attract investment, and support mixed-income housing is essential to renewal of small cities. Regional initiatives that involve institutions, such as hospitals and universities, are useful in neighborhood renewal efforts.

### Gaining Ground

Several smaller industrial cities are gaining ground by undertaking activities that fall into PolicyLink's framework. The revitalization of Youngstown, Ohio is guided by its 2010 land-use plan, which acknowledges that the city's future economic development does not center on growth, but on improving the quality of life for its 80,000 residents. In Hartford, Connecticut, local colleges and medical centers are actively working with a nonprofit to revitalize the city's South Side neighborhoods. In the cities of Albany, Schenectady,



*Economic renewal in small industrial cities should be developed around the idea of building, leveraging, and coordinating assets on a city and regional scale.*

and Troy in New York, economic renewal plans have resulted in regional educational institutions preparing local disadvantaged workers for current and emerging jobs in the nanotechnology sector. States also play a role in renewing smaller industrial cities. Ohio targets infrastructure funding to bolster existing cities, rather than fueling exurban growth. The report describes numerous other examples of activities that are helping small industrial cities revitalize their communities.

Coordinated, strategic action offers hope for renewing American's smaller industrial cities. However, PolicyLink cautions cities to take the long view and recognize that economic revitalization will not be quick or easy. *To Be Strong Again: Renewing the Promise in Smaller Industrial Cities* can be downloaded from PolicyLink at no cost at [www.policylink.org/documents/ToBeStrongAgain.pdf](http://www.policylink.org/documents/ToBeStrongAgain.pdf). **HL**

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therefore more likely to remain vacant until an eligible client arrives seeking services.

The HMIS data also show that the sheltered homeless are predominantly in urban areas (77%) and that they are more likely to be males (69%) and in their middle years (55%). Individual women are more frequently found in transitional housing, making up one-third of those in that type of housing, although they only make up one-quarter of sheltered homeless individuals. By contrast, men are more often found in emergency housing. In general, African American, Hispanic/Latino, and Native American individuals are overrepresented in the homeless population compared with their presence in the population of the poor.

Researchers and practitioners will one day be able to use the data provided in this report as a baseline for measuring changes in the nature and scope of

homelessness over time. In future reports, readers can expect to find information from other homeless providers (street outreach and permanent supportive housing providers), as well as special reports on selected subpopulations or new information on certain types of programs.

Other data contributing to a more detailed national picture of homelessness are reported in *The Third Annual Homeless Assessment Report to Congress*. This study is available at no cost through HUD's Homelessness Resource Exchange at [www.hudhre.info/documents/3rdHomelessAssessmentReport.pdf](http://www.hudhre.info/documents/3rdHomelessAssessmentReport.pdf). Earlier annual versions of *The Annual Homeless Assessment Report to Congress* are also available as free downloads at [www.huduser.org/publications/povsoc/annual\\_assess.html](http://www.huduser.org/publications/povsoc/annual_assess.html) and [www.hudhre.info/documents/2ndHomelessAssessmentReport.pdf](http://www.hudhre.info/documents/2ndHomelessAssessmentReport.pdf). **HL**

Many scholars pursuing research on a range of timely and important housing issues have been awarded financial assistance under the Early Doctoral Student Research Grant (EDSRG) and Doctoral Dissertation Research Grant (DDRG) programs sponsored by HUD's Office of University Partnerships (OUP). These two programs are designed to encourage research on policy-relevant housing and urban development concerns.

The EDSRG program offers grants to accredited universities, enabling doctoral students to research and write papers on housing and urban development issues. The program also encourages these students to present their papers at conferences and publish them in a refereed journal. The DDRG program funds accredited universities to support doctoral research on housing and community development issues, thus providing doctoral candidates with a forum for sharing their findings and producing research that may prove useful in HUD's policymaking efforts. This article highlights the two programs' recent grant awards, outlines their eligibility requirements, and identifies sources of more detailed information.

### EDSRG Awards

The research funded under the most recent cycle of EDSRG awards assisted seven students, and covered such topics as the relationship between organizational social context and technology utilization among homeless service providers, housing conditions and health, the effects of housing vouchers on the welfare and housing choices of recipients, central city gentrification, and the processes leading to foreclosure.



*HUD's EDSRG and DDRG programs support research on housing and urban development issues.*

OUP competitively awards one-time EDSRG grants of up to \$15,000 for a 12-month period to pre-dissertation doctoral students whose studies include urban economics as a major or a concentration within another field related to housing and urban development. Eligible applicants for these grants are accredited institutions of higher education willing to sponsor predissertation doctoral students who:

- Are U.S. citizens or lawful permanent residents currently enrolled as full-time students in an accredited doctoral program;
- Have not taken preliminary or comprehensive examinations;
- Have completed at least two semesters or three terms of a doctoral studies program (depending on the course structure of the institution); and
- Have an assigned faculty adviser to supervise the research manuscript.

Grant funds awarded under the EDSRG program must be used to support the doctoral students' direct costs in completing their research paper; for example, for stipends, computer software, purchasing data, travel expenses to gather data, transcription services, and compensation for interviews. The funds awarded under the EDSRG program may not be used to pay for tuition, computer hardware, or meals.

### DDRG Awards

The research funded under the most recent cycle of DDRG awards, which assisted 12 students, includes such topics as the use of eminent domain for urban redevelopment; the causes and consequences of evictions; the relationship between the media and local low-income housing policy; the relationships among neighborhood integration, housing inequality, and safety; modeling spatial spillovers from rental to owner housing; credit discrimination and African American homeownership from 1910 to 1960; client participation in relation to agencies providing emergency and temporary shelter; and closures of manufactured home parks.

The Office of University Partnerships competitively awards one-time grants of up to \$25,000 for a period of 24 months to doctoral candidates currently enrolled at accredited institutions of higher education. Eligible applicants for the DDRG program are accredited

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significant obstacles if they are to prevail over exclusively high-end development. Some of these obstacles are high land prices, limited capital and funding, complex financing structures, lengthy processes for acquiring land and permits, parking requirements, and community opposition to density and affordable housing.<sup>5</sup> The report suggests that governments should

5. Center for Transit-Oriented Development, Reconnecting America, *Realizing the Potential: Expanding Housing Opportunities Near Transit*, April 2007 ([www.reconnectingamerica.org/public/reports](http://www.reconnectingamerica.org/public/reports)).

identify opportunities and incentives for TODs; remove regulatory barriers that inhibit mixed-income, mixed-use development; coordinate housing and transportation plans and funding; and strengthen local capacity, partnerships, and data collection.

To see how HUD and FTA are working together on these objectives, see *Better Coordination of Transportation and Housing Programs To Promote Affordable Housing Near Transit* at [www.huduser.org/publications/commdevl/transport\\_and\\_hsg.html](http://www.huduser.org/publications/commdevl/transport_and_hsg.html). **H.I.**

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institutions of higher education that are willing to sponsor doctoral students who:

- Are U.S. citizens or lawful permanent residents currently enrolled in an accredited doctoral program;
- Have a dissertation proposal or prospectus that has been or will be accepted by the full dissertation committee by the application deadline date;
- Have an assigned dissertation adviser; and
- Have satisfactorily completed all other written and oral doctoral degree requirements, including all examinations, except for the dissertation, by the date specified by the DDRG program.

Grant funds awarded under the DDRG program must be used to support the direct costs the students incur in completing their dissertation. The eligible costs include stipends, computer software, the purchase

of data, travel expenses to collect data, transcription services, and compensation for interviews. The funds awarded under the DDRG program may not be used to pay for tuition, computer hardware, or meals.

### For More Information

Fiscal Year 2008 EDSRG and DDRG funding cycles are now closed. Details of the 2009 program cycles will be published in the early spring of 2009 at [www.oup.org](http://www.oup.org). The website also offers detailed information on recently funded research topics, as well as abstracts of the funded research papers. For answers to more detailed questions, contact Susan Brunson, Program Analyst, U.S. Department of Housing and Urban Development, Office of University Partnerships, Room 8106, 451 Seventh Street, SW, Washington, DC 20410; telephone: 202.402.3852; fax: 202.708.0309; email: [susan.s.brunson@hud.gov](mailto:susan.s.brunson@hud.gov). **H.I.**

The 2008 second quarter *U.S. Housing Market Conditions* report features an article on using Home Mortgage Disclosure Act (HMDA) data to examine the current mortgage market turmoil. "Using HMDA and Income Leverage to Examine Current Mortgage Market Turmoil" demonstrates how the HMDA data provides for construction of a powerful variable allowing analysts to more closely control for the income leverage used by a borrower, and for the associated payment risk when securing the reported loan amount. This measure, when coupled with other data reported under HMDA, can contribute to an understanding of the evolution, nature, and magnitude of the current upheaval in the mortgage and real estate markets. For more information, visit [www.huduser.org/periodicals/ushmc/summer08/index.html](http://www.huduser.org/periodicals/ushmc/summer08/index.html).



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In the Next Issue of... <sup>research</sup> **works**

- HUD recently hosted a symposium in Washington, D.C. to examine the regulatory barriers that restrict the production of affordable housing for working families. HUD recognized eight communities at the symposium for their work in stimulating the production of affordable housing through regulatory reform. We'll examine what these communities are doing to eliminate or reduce regulatory barriers in the context of the America's Affordable Communities Initiative.
- We'll feature a study that PD&R has completed of the housing counseling industry, which plays an important role in U.S. housing policy. The study examines all types of education and counseling services, including services for people seeking to purchase homes, existing homeowners, renters, and people experiencing homelessness. It also investigates challenges facing the industry and the best means of supporting quality housing education and counseling.
- Alternative forms of homeownership are receiving greater attention during this time of housing market instability and affordability gaps faced by American families. To sustain and grow homeownership opportunities, researchers are evaluating new financing mechanisms that feature risk protection *and* help overcome the affordability challenges that new homeowners often encounter. Shared equity is one of the instruments being examined for what it can offer in terms of meeting affordable housing needs, mitigating risk factors, and sustaining affordable homeownership over time. *Research Works* will discuss how shared equity works.
- Each year, the National Trust for Historic Preservation presents the National Trust/HUD Secretary's Award for Excellence in Historic Preservation. The 2008 winner, the Curley School, was recognized for reclaiming an historic public school in Ajo, Arizona. We'll take readers on a brief tour of the building's history, its various mixed uses, and the funding sources that helped make the renovation possible.

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