

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

# Programs of HUD

Key Programs, Offices, and Initiatives



Reproduced by Region X



*HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business.*

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## ***Regional and Field Office Locations***

### *HUD Region X: Serving Alaska, Idaho, Oregon, and Washington*

#### **Anchorage Field Office**

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Anchorage, AK 99503  
Phone: (907) 677-9800  
Toll-Free (AK): (877) 302-9800  
Fax: (907) 677-9803  
TTY: (907) 677-9825  
[www.hud.gov/alaska](http://www.hud.gov/alaska)

#### **Seattle Regional Office**

Seattle Federal Office Building  
909 First Avenue, Suite 200  
Seattle, WA 98104-1000  
Phone: (206) 220-5101  
Toll-free: (877) 741-3281  
Fax: (206) 220-5108  
TTY: (206) 220-5254  
[www.hud.gov/washington](http://www.hud.gov/washington)

#### **Spokane Field Office**

Thomas Foley US Courthouse Building  
920 West Riverside, Suite 588  
Spokane, WA 99201  
Phone: (509) 368-3200  
Fax: (509) 368-3209  
TTY: (509) 368-3220  
[www.hud.gov/washington](http://www.hud.gov/washington)

#### **Portland Field Office**

400 SW Sixth Avenue, Suite 700  
Portland, OR 97204-1632  
Phone: (971) 222-2600  
Fax: (971) 222-0357  
TTY: (971) 222-2625  
[www.hud.gov/oregon](http://www.hud.gov/oregon)

#### **Boise Field Office**

800 Park Blvd, Suite 220  
Boise, ID 83712  
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Fax: (208) 334-9648  
TTY: (208) 334-9094  
[www.hud.gov/idaho](http://www.hud.gov/idaho)



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[www.hud.gov/alaska](http://www.hud.gov/alaska)  
[www.hud.gov/idaho](http://www.hud.gov/idaho)

[www.hud.gov/oregon](http://www.hud.gov/oregon)  
[www.hud.gov/washington](http://www.hud.gov/washington)

You can also subscribe to HUD mailing lists, including the Northwest HUD Lines e-Briefs, at [www.hud.gov/subscribe](http://www.hud.gov/subscribe)

# *Office of Community Planning and Development*

CPD seeks to develop viable communities by promoting integrated approaches that provide decent housing, a suitable living environment, and expand economic opportunities for low and moderate-income persons. The primary means towards this end is the development of partnerships among all levels of government and the private sector, including for-profit and non-profit organizations.

Housing and community development are not viewed as separate programs, but rather as among the myriad elements that make up a comprehensive vision of community development. CPD seeks to encourage empowerment of local residents by helping to give them a voice in the future of their neighborhoods; stimulate the creation of community based organizations; and enhance the management skills of existing organizations so they can achieve greater production capacity.

**FORMULA GRANTS:** Provided to metro metropolitan cities, urban counties, and states, called “entitlement communities” and “participating jurisdictions” (PJs). Smaller government entities and private nonprofits apply for formula funds directly from the governmental grantee.

## **Community Development Block Grant Program**

The CDBG program provides annual grants to implement community & economic development activities that are initiated and developed at the local level based upon a grantee’s local needs. Activities must meet one of three broad national objectives: benefit persons of low and moderate income (at least 70% of grantee award), aid in the prevention or elimination of slums or blight, or meet other community developments needs of urgency.

## **Section 108 Loan Guarantee Program**

Communities pledge their future CDBG funding as security for loans large enough to pursue physical and economic revitalization or affordable housing projects. Loans may be up to five times their most recent CDBG award to finance economic development projects, public facilities and improvements, housing rehabilitation, land acquisition, and related activities.



## **HOME Investment Partnerships Program**

The HOME program funds are designed to produce standard affordable housing for low- and very-low income families. It provides states and local governments the flexibility to decide what kind of housing assistance, or mix of housing assistance, is most appropriate to meet their housing needs.

## **Neighborhood Stabilization Program**

Congress created NSP to help cities, counties and states deal with community problems that are the result of the mortgage foreclosure crisis in the nation. HUD provides money to about 250 local governments (cities and counties) and all 50 states, as well as nonprofit organizations. Generally, the money must be used to buy, fix up, and resell foreclosed and abandoned homes. As long as the funds are used for this redevelopment, grantees that receive HUD funds decide how to use the funds and what specific redevelopment activities to undertake. Competitive funding has also been made available.

## **Housing Opportunities for Persons With AIDS**

HOPWA grants may be used to provide a variety of forms of housing assistance, including emergency housing, shared housing arrangements, apartments, community residences, and single-room occupancy dwellings to low-income persons living with HIV/AIDS and their families. Appropriate supportive services must be provided as part of any assisted housing. (HOPWA Funds: 90% awarded by formula, 10% awarded through a competitive selection process for model demonstration projects.)

**COMPETITIVE GRANTS:** Eligible applicants are states, units of local government, other governmental entities such as public housing agencies, and private nonprofits. Funding opportunities are published annually in the Super NOFA (Notice of Funding Availability).



### Continuum of Care Competitive Grants

CoC grants are a comprehensive response to the different needs of homeless individuals and families, currently including the following programs:

- **Supportive Housing Program.** SHP is designed to provide supportive housing and services that will allow homeless persons to live as independently as possible. Funds may be used to develop and operate transitional housing, permanent housing with appropriate services, and/or to provide supportive services. Grants may be renewed on an annual basis to provide continued funding for ongoing costs of exiting projects. Match requirements apply to funds for certain program activities.
- **Shelter Plus Care.** S+C is a program designed to provide housing and supportive services for homeless persons with disabilities (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and AIDS or related diseases) and their families. Grant funds are provided for rental assistance payments, while supportive services must be provided with other resources as match.
- **Single Room Occupancy.** Provides rental assistance housing for single person occupancy units. HUD enters into Annual Contributions Contracts with public housing agencies that make Section 8 rental assistance payments to participating landlords to cover the costs of rehabilitation of dwelling units on behalf of homeless individuals who rent the rehabilitated dwellings. The rental assistance payments cover the difference between a portion of the tenant's income (normally 30%) and the unit's rent.

Note: The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, once fully implemented, will combine and consolidate the current Continuum of Care programs. Implementation for the HEARTH Act is projected to be in 2012.

### Brownfields Economic Development Initiative

BEDIs must be used in conjunction with loans guaranteed under the Section 108 Program to clean up and redevelop environmentally contaminated industrial and commercial sites, commonly known as "brownfields." Particular emphasis is placed on economic revitalization and projects that are that are ready to proceed and can demonstrate an increase in economic opportunities for low-and moderate-income persons through the creation or retention of businesses and full time jobs in the local tax base.

### Rural Innovation Fund

Provides for capacity building at the state and local level for rural housing and economic development and supports innovative housing and economic development activities in rural areas.

### Self-Help Homeownership Opportunity Program

Program funds provide self-help housing, where the homebuyer contributes a significant amount of sweat equity toward the construction of the home. SHOP funds can pay for land acquisition (including financing and closing costs), infrastructure improvements, and the removal of environmental hazards.

### Sustainable Communities Initiative

In 2009, the **Office of Sustainable Housing and Communities (OSHC)** was established to create strong, sustainable communities by connecting housing to jobs, fostering local innovation, and helping to build a clean energy economy.

New programs include grant funding to support both community-level and regional planning for building more livable communities.

OSHC works in close partnership with the Department of Transportation and the Environmental Protection Agency, co-leaders with HUD in the national Partnership for Sustainable Communities.

[www.sustainablecommunities.gov](http://www.sustainablecommunities.gov)



# Office of Fair Housing & Equal Opportunity

FHEO administers the federal laws and establishes national policies that ensure all Americans have equal access to the housing of their choice. These laws also prohibit discrimination in housing on the basis of **race, color, religion, sex, national origin, disability, familial status, and age**. Particular activities include:



- Enforcing the Fair Housing Act and other civil rights laws
- Managing the Fair Housing Assistance Program and Fair Housing Initiatives Program grants
- Developing and implementing policy, processing complaints, performing compliance reviews and offering technical assistance to recipients of federal financial assistance
- Conducting oversight of the Government-Sponsored Enterprises, Fannie Mae and Freddie Mac, to ensure consistency with the Fair Housing Act and the fair housing provisions of the Federal Housing Enterprises Financial Safety and Soundness Act
- Working with private industry, fair-housing and community advocates on the promotion of voluntary fair housing compliance
- Conducting outreach to potential victims of discrimination
- Reviewing Departmental clearances of proposed rules, handbooks, legislation, draft reports, and notices of funding availability for fair housing considerations

## FHEO Partners and Programs

There are a number of public and private not-for-profit agencies dedicated to ensuring fair housing choice, including groups participating in HUD's Fair Housing Initiatives Program (FHIP) and HUD's Fair Housing Assistance Program (FHAP).

### Fair Housing Initiatives Program

Provides funding to public and private organizations that develop programs that are designed to prevent or eliminate discriminatory housing practices.

### Fair Housing Assistance Program

Strengthens nationwide fair housing efforts by helping individual State and local governments administer laws that are consistent with the Federal Fair Housing Act.

## Educational Outreach

### National Fair Housing Collegiate Partnership Campaign

Launched in 2010, the National Fair Housing Collegiate Partnership Campaign is a program designed to provide education and outreach to college students and administrators. With the assistance of its fair housing partners, HUD conducts fair housing seminars at colleges and universities about the Fair Housing Act, involves collegiate participation in Fair Housing Month events, provides fair housing information to collegiate administration, shares federal employment opportunities with college career development centers, and utilizes social networking media to provide fair housing.



### National Fair Housing Training Academy

First established in 2004 with funds provided through the Fair Housing Assistance Program, the National Fair Housing Training Academy (NFHTA) provides comprehensive fair housing and civil rights training and education to fair housing investigators working for federal, state, and local agencies, as well as educators, attorneys, industry representatives, and other housing industry professionals. Located in Washington, DC, NFHTA serves as the center of development for our nation's civil rights professionals.

### Fair Housing Act

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on *race, color, national origin, religion, sex, familial status* (including children under the age of 18 living with parents of legal custodians, pregnant women, and people securing custody of children under the age of 18), and *handicap (disability)*.

### Section 3

Helps low-income residents gain the skills and jobs needed to become self-sufficient. Provides opportunities for qualified, low-income business owners to receive preference in bidding on HUD-funded contracts. Applies to public and Indian housing programs, housing and community development programs, and other Federal and HUD assistance.

### Title VI of the Civil Rights Act of 1964

Prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

### Architectural Barriers Act of 1968

Requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and useable by disabled persons.

### Section 504 of the Rehabilitation Act of 1973

Prohibits discrimination based on disability in any program or activity receiving federal financial assistance.

### Executive Order 11063

Prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds, including insured FHA housing.

### Executive Order 12892

Requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating the effort. Also establishes the President's Fair Housing Council, which is chaired by the Secretary of HUD.

### Section 109 of Title I of the Housing and Community Development Act of 1974

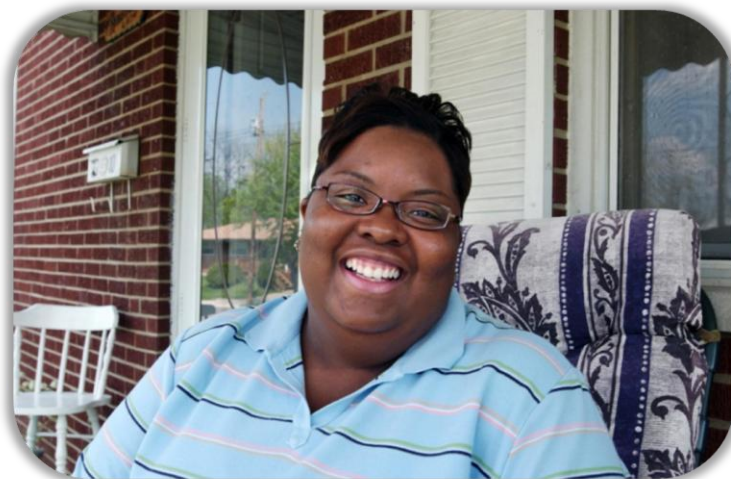
Prohibits discrimination on the basis of race, color, national origin, sex or religion in programs and activities receiving financial assistance from HUD's Community Development and Block Grant Program.

### Age Discrimination Act of 1975

Prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance. Note: Although the Fair Housing Act prohibits discrimination on the basis of familial status, Congress intended to preserve housing specifically designed to meet the needs of older persons. "Housing for older persons" is exempt from the law's familial status requirements given certain provisions are met.

### Title II of the Americans with Disabilities Act of 1990

Prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to housing provided by a public entity.



### Executive Order 12898

Requires that each federal agency conduct its program, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color, or national origin.

### Executive Order 13166

Eliminates, to the extent possible, Limited English Proficiency as a barrier to full and meaningful participation by beneficiaries in all federally-assisted and federally conducted programs and activities.

# Office of Housing: Multifamily

Office of Multifamily Housing (OMFH) operates 3 distinctive functions:

- 1) A subsidy providing entity for project-based rental subsidies, capital advances for elderly and disabled housing, and grants for resident related services.
- 2) Under Federal Housing Administration (FHA), OMFH underwrites and insures multifamily housing developments. There are currently over 35,000 FHA insured mortgages nationwide.
- 3) OMFH monitors regulatory and contractual compliance of FHA-insured apartments, project-based Section 8 and other HUD properties.

The clients and customers of OMFH include: lenders, realtors, builders, state and local governments, profit and non-profit developers and owners, property purchasers, and low-income tenants.



## Subsidy Providing Programs: Competitive programs published in the SuperNOFA.

### Section 8 (Project-based Rental Assistance)

Provides monthly subsidies to property owners for upkeep, management, and operation of the buildings. In return, some or all of the units within the building are made available to low-income and very low-income households. Household rent is set at 30% of monthly-adjusted income. Initial terms of the contracts were 20 years with 5-year renewal increments. No new projects are currently being funded.

### Section 202 (Elderly)

Provides successful nonprofit awardees a capital advance to develop affordable rental housing for the elderly. In addition, it provides the project owner a rental subsidy to cover operating costs. The program provides very low-income elderly the option to live independently and to pay only 30% of their income for rent and utilities. Occupancy in Section 202 housing is open to any very low-income household with at least one person 62 years of age or older.

### Section 811 (Disabled)

Provides successful nonprofit awardees a capital advance to develop affordable rental housing for very low-income persons with disabilities or other special needs. In addition, it provides rental subsidy to cover operating costs. The program gives disabled tenants the opportunity to live independently or in a group home setting, and to pay only 30% of their income for rent and utilities. Supportive services are provided with other funds. At least one member of each household must be at least age 18 years and disabled, and the project may require residents to have a particular type of disability such as a physical or developmental disability or a chronic mental illness.

### Assisted-living Conversion Program

Provides private nonprofit owners of eligible developments with a grant to convert some or all of the dwelling units in the project into an Assisted Living Facility (ALF) for the frail elderly. The facility must be licensed and regulated by the State (or if there is no State law providing such licensing and regulation, by the municipality or local government. Typical funding will cover basic physical conversion of existing project units, common and services space.

### Emergency Capital Repair Program

Provides private nonprofit owners of eligible developments designated for occupancy by elderly tenants with grants to make emergency capital repairs. The capital repair needs must relate to items that present an immediate threat to the health, safety, and quality of life of the tenants.

### Multifamily Housing Service Coordinators

Service Coordinators assist elderly individuals and persons with disabilities, living in federally assisted multifamily housing, to obtain needed supportive services from community agencies. Services are intended to prevent premature and inappropriate institutionalization.

### Neighborhood Networks

A grant program that encourages property owners, managers, and residents of HUD-insured and -assisted housing to develop computer centers where residents can learn job skills and become more economically self-reliant. Housing project owners must devise a plan for each center that budgets hardware, software, set-up, and operating costs and are encouraged to seek cash grants, in-kind support, or donations from State and local governments, educational institutions, private foundations, and corporations.



**Mortgage Insurance Programs:** Provide mortgage insurance to HUD-approved lenders to facilitate the construction, substantial rehabilitation, purchase and refinancing of multifamily housing projects and by insuring lenders against loss on mortgage defaults.

**FHA Manufactured Home Parks: Section 207(m)**

Insures mortgages that are used to finance the construction or rehabilitation of manufactured home parks consisting of 5 or more spaces.

**Cooperative Units: Section 213**

Insures mortgage loans to develop or rehabilitate housing projects operated as cooperatives.

**Rental Housing for Urban Renewal and Concentrated Development Areas: Section 220**

Insures loans for multifamily housing projects in urban renewal areas, code enforcement areas, and other areas of designated revitalization activities.

**Rental & Cooperative Housing: Section 221(d)(3)&(4)**

Section 221(d)(3) (nonprofit sponsors) and (d)(4) (profit-motivated sponsors) assist in the construction or rehabilitation of rental and cooperative housing for moderate-income and displaced families by making capital more readily available. The program allows for long-term mortgages (up to 40 years) that can be financed with Government National Mortgage Association (GNMA) Mortgage-Backed Securities.

**Single Room Occupancy Projects: Section 221(d)(3)&(4)**

Insures mortgage loans for multifamily properties consisting of single-room occupancy (SRO) apartments. There are no Federal rental subsidies involved with this particular SRO program. It is aimed at those tenants who have a source of income but are priced out of the rental apartment market. SRO projects generally require assistance from local governing bodies or charitable organizations in order to reduce the rents to affordable levels. Although intended for very low-income persons, the program does not impose income limits for admission.

**Two-Year Operating Loss Loans: Section 223(d)**

Insures operating loss loans that cover operating losses during the first 2 years after completion (or any other 2-year period within the first 10 years after completion) of multifamily projects with a HUD-insured first mortgage.

**Purchase or Refinancing of Existing Multifamily Housing Projects: Section 207 / 223(f)**

Insures mortgage loans to facilitate the purchase or refinancing of existing multifamily rental housing.

Properties requiring substantial rehabilitation are not eligible under this program; however, HUD permits the completion of non-critical repairs after endorsement for mortgage insurance. The program allows for long-term mortgages (up to 35 years) that can be financed with GNMA Mortgage-Backed Securities.

**Supplemental Loan Insurance for Multifamily Rental Housing: Section 241(a)**

Intended to keep the project competitive, extend its economic life, and to finance the replacement of obsolete equipment. Insured mortgages finance repairs, additions, and improvements to multifamily projects already insured by HUD or held by HUD.

**Qualified Participating Entities Risk-Sharing Program: Section 542(b)**

Supports and encourages the production and preservation of affordable Housing by providing insurance and reinsurance for multifamily housing projects whose loans are originated, underwritten, serviced, and disposed of by a Qualified Participating Entity and/or its approved lenders. HUD's mortgage credit enhancements are used to support the underwriting and production strengths of Fannie Mae, Freddie Mac, and other qualified Federal, State, and local public financial and housing institutions.

**Housing Finance Agency Risk-Sharing Program: Section 542(c)**

Provides credit enhancement for mortgages of multifamily housing projects whose loans are underwritten, processed, serviced, and disposed of by State and local housing finance agencies (HFAs). HUD and HFAs share in the risk of the mortgage. The program was originally designed as a pilot to assess the feasibility of risk-sharing partnerships between HUD and qualified State and local HFAs in providing affordable housing.

**Mortgage Insurance Programs for Healthcare Facilities**

The **Office of Healthcare Programs** manages additional mortgage insurance programs for hospitals (Section 242) as well as assisted-living and other healthcare facilities (Section 232). Through these programs, approximately 400 mortgage insurance commitments have been issued for hospitals and more than 4,000 commitments have been issued for other healthcare facilities—altogether totaling insurance commitments of more than \$30 billion.

# Office of Housing: Single Family

The mission of the Office of Single Family Housing is to expand and maintain affordable homeownership opportunities, on an actuarially sound basis, for those that are unserved or underserved by the private market and to provide a consistent, stabilizing force in the home financing market.

Single Family Housing is responsible for the overall management and administration of the Federal Housing Administration (FHA) Single Family mortgage insurance programs. Activities include:

- Approving mortgagees for FHA participation
- Providing mortgagee's instructions on how to originate, close, service and foreclose on mortgages
- Providing loss mitigation assistance to mortgagors
- Monitoring program participants

These functions are carried out through a Headquarters Office and four Homeownership Centers, which are located in Atlanta, Denver, Philadelphia, and Santa Ana.



## Organizational Structure and Functions

The Office of Single Family Housing Headquarters is responsible for the overall management, policy direction and administration of all Single Family programs authorized under Titles I and II of the National Housing Act.

### Program Development

Develops policies, procedures and guidance for mortgagees that originate and underwrite FHA insured mortgages; monitors Homeownership Center implementation of those policies and procedures; manages the FHA marketing and advertising budget; and supports FHA's housing counseling grant program.

### Lender Activities/Program Compliance

Administering various risk management activities related to FHA approved lenders:

- *Gatekeeping* - Approving and recertifying only responsible loan correspondents and lenders to originate and/or service HUD/FHA insured mortgages in FHA's Title I and Title II loan programs.
- *Monitoring* - Assessing lender performance, internal controls and compliance with HUD/FHA origination and servicing requirements, largely through on-site reviews of lender practices, but also through off-site evaluations and analyses.
- *Enforcement* - Sanctioning those lenders, and related parties, that fail to comply with HUD/FHA requirements.

### Homeownership Centers

The four Homeownership Centers (HOCs) administer various aspects of FHA mortgage insurance, including:

- Implementing underwriting and insuring standards
- Monitoring origination and servicing practices of HUD-approved single family mortgagees and Title I lenders
- Overseeing the disposition of HUD-owned properties
- Monitoring the performance of other field contracts, as well as promoting FHA single family programs

Region X is currently served by the Santa Ana Homeownership Center.

### Asset Management

Supports homeowners, lenders, and the Government's own financial interests in FHA-insured mortgages from the point of loan insurance until loan payoff or disposition. This includes establishing and updating general servicing guidelines for FHA lenders, helping homeowners overcome financial difficulties that led to mortgage default, investigating complaints of lender non-compliance with loss mitigation and foreclosure requirements, working with the Office of the Comptroller to establish claim procedures, managing and selling mortgages acquired by FHA through the claims process, developing policies, procedures and guidance for the disposition of single family real estate owned (REO) by the Department, and monitoring Homeownership Center REO operations.

### **Mortgage Insurance: Section 203(b)**

To provide mortgage insurance for a person to purchase or refinance a principal residence. The mortgage loan is funded by a lending institution and insured by HUD. The borrower is eligible for approximately 96.5% financing and must meet standard FHA credit qualifications. The borrower will also be responsible for paying an annual premium. Eligible properties are one-to-four unit structures.

### **Disaster Victims: Section 203(h) loan program**

Allows FHA to insure mortgages made by qualified lenders to victims of a major disaster who have lost their homes and are in the process of rebuilding or buying another home.

Individuals are eligible for this program if their homes are located in an area that was designated by the President as a disaster area and if their homes were destroyed or damaged to such an extent that reconstruction or replacement is necessary.

### **Loans for Manufactured Housing**

Established to protect the health and safety of the owners of manufactured (mobile) homes, the Manufactured Housing Program, ensures manufactured homes are in compliance with Federal construction and safety standards. FHA – approved lenders can make loans to families purchasing new manufactured homes that have been attached to a permanent foundation, or lend on previously owned homes that were manufactured after June 15, 1976, have the HUD “red tag” attached and were moved onto permanent foundations direct from the factory. The FHA mortgage would cover both the unit and the property as all homes must be classified and taxed as real property.

### **Funds for Fixer-Uppers: Streamlined 203 (K)**

Provide mortgage insurance for a person to purchase or refinance a home needing minor remodeling or repairs, lead-based paint stabilization or work to improve energy efficiency. The Streamlined (K) allows a home-owner to obtain one loan to repair and purchase (or refinance) a home. There is no minimum repair cost threshold and the maximum repair amount is \$35,000.



### **Good Neighbor Next Door Programs**

Designed to encourage teachers, police officers, firefighters, and emergency medical technicians (EMTs) to buy HUD-owned homes in low and moderate-income neighborhoods and revitalization areas. Potential homeowners must be “employed full-time” in the area where the home is located. First-time homebuyer is not a requirement, however, participants cannot own any other home at the time of closing and must agree to live in the home for three years. Properties are single family homes located in Revitalization Areas listed and sold exclusively over the Internet. Winning bids are randomly selected by computer.

Visit: [www.homesales.gov](http://www.homesales.gov)

### **HUD's Dollar Homes**

Allows local governments to purchase qualified HUD-owned homes for \$1 each to create housing for families in need and to benefit neighborhoods. Dollar Homes are single-family homes that are acquired by the Federal Housing Administration (which is part of HUD) as a result of foreclosure actions and made available whenever FHA is unable to sell the homes for six months and the appraised value is \$25,000 or less. Local governments can partner with local non-profit homeownership organizations or tap into existing local programs to resell the homes to low- and moderate-income residents of the community.

### **Faith-based and Nonprofit Initiatives**

HUD offers the opportunity to purchase HUD homes at discounts of up to 30 percent off the appraised value. Local nonprofit organizations invest in property rehabilitation and resell to first-time homebuyers and low- and moderate-income families. HUD also offers nonprofit agencies favorable FHA insured mortgage financing terms and opportunities for down payment assistance programs.

### **Reverse Mortgage Program**

Federally-insured private loan that lets elderly homeowners convert a portion of the equity in their home into cash. Unlike a traditional home equity loan or second mortgage, no repayment is required until the borrower(s) no longer use the home as their principal residence. To be eligible the borrower must be a homeowner, 62 years of age or older; who owns the home outright (or have a low mortgage balance); and must live in the home. The amount borrowed depends on age, the current interest rate, and the appraised value of the home or FHA's mortgage limits for the area, whichever is less.

### **Housing Counseling**

HUD sponsors housing counseling agencies throughout the country that can provide advice on buying a home, renting, defaults, foreclosures, and credit issues. Call **1-800-569-4287** or search for “housing counseling” at [www.hud.gov](http://www.hud.gov)

# Office of Native American Programs



ONAP ensures that safe, decent and affordable housing is available to Native American families, creates economic opportunities for Tribes and Indian housing residents, assists Tribes in the formulation of plans and strategies for community development, and fosters government-to-government relationships between federal agencies and sovereign Native nations.

Unlike the ten regional offices of HUD, ONAP consists of a Headquarters office located in Washington, DC, a National Program Office located in Denver, CO, and six Area offices located in Chicago, Oklahoma City, Denver, Phoenix, Seattle, and Anchorage.

## The Native American Housing Assistance and Self-Determination Act of 1996

NAHASDA recognizes the right of tribal self-governance and the unique relationship between the Federal government and governments of Indian tribes. NAHASDA provides housing funds to Indian communities with a single block grant program made directly to the tribe or tribally designated house entity (TDHE).

Until fiscal year 1998, the HUD Indian housing programs operated pursuant to the U.S. Housing Act of 1937. Passage of NAHASDA changed the Indian housing program from competitive categorical grants made to housing authorities to a formula block grant to Indian tribes based primarily on need and maintaining existing housing stock.

**FORMULA GRANTS:** Annual funding awarded to federally recognized tribes or tribally designated housing entities (TDHEs).

## Indian Housing Block Grant

Annual grants are made in the form of an IHBG offering maximum flexibility to tribes to design, implement, and administer their own unique housing programs. The primary purpose of the IHBG is to provide housing assistance for the benefit of low-income families. Eligible activities include:

- **Indian Housing Assistance:** Modernization and operating assistance for housing previously developed or operated under a contract with HUD.
- **Housing Development:** Acquisition, new construction, reconstruction, and moderate or substantial rehabilitation. Real property acquisition, site improvement, development of utilities, conversions, demolition, financing, administration, planning, and other related activities.
- **Housing Services:** Housing counseling, resident management, energy auditing activities, other services assisting owners, tenants, contractors, etc.
- **Housing Management Services:** Preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and management of affordable housing projects.
- **Crime Prevention and Safety:** Safety, security, and law enforcement activities.
- **Model Activities:** Model programs that develop and support affordable housing.

## Title VI of NAHASDA

Allows tribes to leverage IHBG funds to finance affordable housing activities today by pledging future grant funds as security for the repayment of the guaranteed obligation.



**COMPETITIVE GRANTS:** Competitive funding awarded to Indian tribes or tribal organizations on their behalf.

### Indian Community Development Block Grant Program

Competitive grants to develop viable communities and decent housing for persons of low and moderate income. Eligible activities include: economic development, homeownership assistance, housing rehabilitation, land acquisition, micro-enterprise programs, new housing, and public facilities improvements.

There are two funding sources:

**Single-purpose Grants.** Competitively awarded according to terms published in annual Notice of Funding Availability

**Imminent Threat Grants.** Annual set-aside of ICDBG funds that can be used to alleviate or remove imminent threats to health or safety that require an immediate solution.



## Other ONAP Programs

### Section 184 Indian Home Loan Program

Provides homeownership opportunities to Native Americans living on trust, restricted, and fee simple lands. Program offers HUD approved loan guarantees to private sector lenders who make home mortgage loans to eligible Native Americans, tribes, or tribally designated housing entities for homes located in approved service areas.

#### Program facts:

- 100% guarantee to lender
- No maximum income limits
- Low down payment
- Loan limit: 150% of FHA limits (except Alaska which has higher limits)
- Loans assumable
- Flexible underwriting
- 1% guarantee fee at closing
- Eligible uses include new construction,
- rehabilitation, purchase of an existing house,
- refinancing of existing mortgage
- Available on tribal trust, individual allotted
- Trust, or fee simple land in an Indian operating area

Note: Section 184A Loan Guarantee Program, along with the Native Hawaiian Housing Block Grant Program, addresses the housing needs and circumstances of Native Hawaiians.

### Tribal College and University Partnerships

Funded through the Office of University Partnerships, in close collaboration with ONAP, funds are made available to Tribal Colleges and Universities to build, expand, renovate, and equip their facilities, especially those facilities that are used by or available to the larger community. The maximum grant amount is \$400,000 with a grant period of 36 months.

### Rural Innovation Fund

Grants are awarded for capacity building to support innovative housing and economic development activities in rural, tribal communities, and reservation areas. ONAP administers Rural Innovation funds awarded to recipients serving Native American communities. Eligible activities include: preparation of plans and architectural drawings, acquisition of land, demolition, construction, job training, homeownership, financial counseling, revolving loan funds, micro enterprises, and small business incubators.

# Office of Public Housing

## Housing Choice Voucher Section 8 Program



The housing choice voucher program (HCV), also known as Section 8, is HUD's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market.

Housing choice vouchers are administered locally by public housing authorities (PHAs). Housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays directly to the landlord the difference between the actual rent charged by the landlord and the amount subsidized by the program.

The participant is free to choose any housing where the owner agrees to rent under the program and that meets the requirements of the program. Vouchers are not limited to units located in subsidized housing projects.

In general, the family's income may not exceed 50% of the median income for the county or metropolitan area in which the family chooses to live. By law, a PHA must provide 75 percent of its vouchers to applicants whose incomes do not exceed 30 percent of the area median income. The PHA sets the payment standard (amount of subsidy needed to rent a moderately-priced dwelling unit in the local housing market) at 90-110% of Fair Market Rent. The payment standard is used to calculate the amount of housing assistance a family will receive. The participant must pay at least 30% of its monthly-adjusted gross income for rent and utilities.

### How it works:

- 1) **HUD provides funding to PHA.** Funding, through a block grant of annual funding, includes subsidies for families and fees to PHA for administering the program.
- 2) **Participant family applies for voucher at local PHA.** Family placed on waitlist and, when reaches top of waitlist, is issued a voucher based on family composition. Size of voucher correlates to amount of subsidy family eligible for based on local fair market rents. PHA may adopt local preferences such as elderly, persons with disabilities, homeless families, etc.
- 3) **Participant searches for unit in the private rental market.** Family may choose neighborhood and type of unit (apartment, house, etc.). Must find landlord willing to participate in the voucher program. Tenant pays at least 30% adjusted monthly income towards rent and utilities, PHA pays the remainder to landlord. Family lives in unit with ability to move in the future with subsidy.

## Other Special Purpose Voucher Programs

**Veteran Affairs Supportive Housing.** VASH is a partnership program with the Department of Veteran Affairs (VA) to prevent and end Veteran homelessness by providing long-term case management, supportive services and permanent housing support. The program is administered by VA and Public Housing Authorities.

**Non-Elderly Persons with Disabilities.** NED enables non-elderly disabled families to access affordable housing, and enable non-elderly persons with disabilities to transition from healthcare institutions into the community.

**Family Reunification Program.** FUP promotes family unification by providing Housing Choice Vouchers to families for whom the lack of adequate housing is the primary factor in separation, or the threat of imminent separation, of children from their families and to youths 18 to 21 years old who left foster care at age 16 or older and lack adequate housing.

Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered single-family houses to highrise apartments for elderly families. There are approximately 1.3 million households living in public housing units, managed by nearly 3,300 public housing agencies (PHAs). HUD administers Federal aid to local PHAs that manage the housing for low-income residents (persons at or below 80% of median income) at rents they can afford.

## How it works:

- 1) **PHA owns several developments of “public housing.”** Generally, units were deeded to PHA by HUD to operate as affordable public housing units through the Annual Contributions Contract (ACC). HUD provides funding to PHA to operate public housing program, which includes Operating Subsidy (fees to manage property) and Capital Fund (funds to maintain buildings).
- 2) **Participant family applies for public housing program at local PHA.** Family placed on waitlist. PHA may adopt local preferences such as elderly, persons with disabilities, homeless families, etc.
- 3) **Specific unit becomes available.** Next family on waitlist needing specific unit size is offered unit. Family may accept or decline unit. If accepted, family pays 30% of monthly adjusted income towards rent and utilities. If declined, family remains on top of waitlist for next available unit in their size range.

## Other Office of Public Housing Programs

**American Recovery and Reinvestment Act.** ARRA was enacted in 2009 to stimulate economic recovery and jobs growth via providing formula and competitive grants toward revitalizing distressed public housing developments.

**HOPE VI.** Established in 1993 to revitalize the nation's most distressed public housing developments by providing grants and unprecedented flexibility to address the housing and social service needs of their residents.

**Choice Neighborhoods.** Building upon the success of HOPE VI, the CN program provides grants to transform distressed neighborhoods and public and assisted projects into viable and sustainable mixed-income neighborhoods by linking housing improvements with appropriate services, schools, public assets, transportation, and access to jobs. A strong emphasis is placed on local community planning for access to high-quality educational opportunities, including early childhood education.

**Moderate Rehabilitation.** Provides project-based rental assistance for low income families. The program was repealed in 1991 and no new projects are authorized for development.

**Resident Opportunities and Self-Sufficiency/Neighborhood Networks.** Links services to public housing residents by providing grants to PHAs for supportive services, resident empowerment activities, and activities to assist residents in becoming economically self-sufficient.

**Capital Fund/Operating Fund.** Provides funds to housing authorities to modernize and manage public housing developments.

**Family Self-Sufficiency.** Encourages housing authorities to develop local strategies to help assisted families obtain employment that will lead to economic independence and self-sufficiency.

**Homeownership.** PHA may sell some or all units of a public housing development to eligible residents or resident organizations. PHA may allow HCV participating families to use their vouchers toward mortgage payment.





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Revised: September 2011  
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