

National Association of Community Action Agencies

America's Housing Crisis: Community Action Responds

Preliminary Findings May 1, 2001

The National Association of Community Action Agencies (NACAA) distributed the 2001 NACAA Housing Survey to the community action network in January 2001. The survey contained questions relating to Community Action Agencies, their housing programs, from whom they access funding, and the housing priorities in their communities. We received 306 completed surveys, a 33 percent return.

The preliminary findings are as follows:

Capacity

- 85.9 percent of responding CAAs provide housing services to their communities and have for 16 years.
- 54.6 percent of the CAA survey respondents are certified CHDOs (Community Housing Development Organization). These agencies have been CHDOs for an average of 6 years. One large advantage to obtaining CHDO certification is that the HUD HOME program provides set-aside benefits for CHDOs, including monies, training, and technical assistance. This gives CHDOs an edge in funding competitions and increases their capacity to deliver housing services.
- 27.4 percent of respondents have "stick built" housing construction programs for rental and ownership units

Programs

- 74.0 percent of CAAs responding provide weatherization services.
- 47.6 percent have ongoing housing rehabilitation programs.
- 44.9 percent provide emergency home repair services.

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Rental Programs

- 36.0 percent provide direct housing management services.
- 19.5 percent manage their locality's Section 8 program.
- 49.3 percent provide rental counseling.
- 59.6 percent provide housing budget counseling.
- 20.1 percent provide emergency rental assistance.
- 59.5 percent operate FEMA Emergency Food and Shelter programs.

Homeownership Programs

- 29.1 percent of CAAs responding provide down payment assistance.
- 14.7 percent provide homeowner loans.
- 24.3 percent operate IDA (Individual Development Account) programs for homeownership.
- 47.6 percent of the reporting CAAs provide pre-purchase counseling.
- 32.2 percent provide post-purchase counseling.

Homeless Programs

- 25.1 percent of reporting CAAs own an average of homeless 3.8 facilities.
- The average bed capacity of these facilities is 43.4 beds.
- 27.5 percent of those responding with homeless programs operate an average of 5.4 facilities.
- 21.2 percent of respondents operate emergency shelters.
- 28.1 percent of respondents operate transitional shelters.
- 27.4 percent operate transitional apartments.
- 25.4 percent received HUD Supportive Housing Program funds.
- 26.4 percent received HUD Continuum of Care Program funds.

Funding Sources

- During the last year, CAAs with housing programs have spent an average of \$1.6 million each on their housing programs.
- CAAs have accessed HUD and RDS (Rural Development Service) funds for projects that include housing and community development, homeownership, rental assistance, home repair, homeless services, and general housing support. In addition, they use these federal funds to leverage significant additional resources from state, local, private, and foundation sources.
 - 47.9 percent of the funds spent on housing comes from federal sources.
 - 23.7 percent of the money comes from state agencies.
 - 23.9 percent comes from private sources including banks, foundations, corporations, and property income (rents).
 - The remaining 4.5 percent comes from local governments.

Serving Their Communities and Meeting the Needs

- The average number of households receiving housing assistance from a CAA in a year is 696.7.
- The top five low-income housing needs considered the most important to CAAs and the communities they serve are:
 - More affordable rental housing, 35.0 percent.
 - Single family homeownership, 26.2 percent.
 - Home repair/preservation, 13.1 percent.
 - Additional Section 8 certificates and/or vouchers, 6.9 percent.
 - Housing for the homeless, 5.9 percent.

Housing

- A tremendous need for decent, safe, affordable housing, both rental and ownership, exists in America today.
 - ◆ In no state is the federal minimum wage sufficient to afford rent and utilities for a modest but adequate two-bedroom unit.
 - ◆ On average, a worker earning the minimum wage would have to work the equivalent of 66 hours a week to afford the Median Fair Market Rent for a two-bedroom rental unit. The wage required to afford such housing (the “housing wage”) ranges from \$15 to \$25 an hour.
 - ◆ One out of every three American families—33 million households—has a housing problem, and one of every seven families has a critical housing need. HUD defines critical housing needs as spending more than half of a family’s income on housing and/or living in severely inadequate housing. This includes 6 million working families whose modest incomes cannot meet the cost of decent housing. More than half of these individuals and families are renters.

- Community Action Agencies responding to NACAA’s housing survey provide a wide spectrum of housing programs and have for more than 16 years.
 - ◆ Nearly 86 percent of responding CAAs provide housing services.
 - ◆ More than half of the CAA survey respondents are certified CHDOs (Community Housing Development Organizations). These agencies have been CHDOs for an average of 6 years. (CHDOs are recognized by HUD as preferred deliverers of housing programs.)
 - ◆ During the last year, responding CAAs with housing programs have spent an average of \$1.6 million each on such programs.
 - ◆ CAAs have accessed HUD and USDA (Rural Development Service) funds for projects that include housing and community development, homeownership, rental assistance, home repair, homeless services, and general housing support. In addition, they use these federal funds to leverage significant additional resources from state, local, private, and foundation sources. Nearly half the funds CAAs spend on housing comes from federal sources; about a quarter of the money comes from state agencies; another quarter comes from private sources including banks, foundations, corporations, and property income (rents). The remainder comes from local governments.

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- **Community Action Agencies address the housing needs in their communities as identified by the communities themselves.**
- ◆ The average number of households receiving housing assistance from responding CAAs in a year is nearly 700.
 - ◆ More than 47 percent of responding CAAs have ongoing housing rehabilitation programs, and nearly 45 percent provide emergency home repair services.
 - ◆ Three out of four responding CAAs provide weatherization services (74 percent).
 - ◆ With rental programs, 36 percent of responding CAAs provide direct housing management services, and almost 20 percent manage their locality's Section 8 program. Responding CAAs provide a variety of housing counseling programs. Nearly 50 percent provide rental counseling, and nearly 60 percent provide housing budget counseling.
 - ◆ For homeownership, 29 percent of responding CAAs provide Down Payment Assistance; nearly 15 percent provide Homeowner Loans; and more than 24 percent operate IDA programs for homeownership. Almost half of the reporting CAAs provide pre-purchase counseling, and 32 percent provide post-purchase counseling.
 - ◆ The low-income housing needs considered most important to responding CAAs and the communities they serve are: (1) more affordable rental housing, (2) additional Section 8 certificates and/or vouchers, and (3) more Section 8 units on the market and available for rent.

➤ **In Conclusion:**

CAAs have a demonstrated capacity to deliver a complete range of housing programs.

CAAs could increase the housing supply through the use of mechanisms such as a National Housing Trust Fund.

The Section 8 program is easily administered by CAAs and is an effective but underfunded method of meeting housing needs.



The National Association of
Community Action Agencies (NACAA)

"Helping People Help Themselves"

Executive Director
John Buckstead

NEWS RELEASE

FOR IMMEDIATE RELEASE:

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CAAs RESPONDING TO DEMANDS FOR LOW-INCOME HOUSING, SURVEY SHOWS

Initial results indicate that Community Action Agencies provide wide range of services

WASHINGTON, DC – Community Action Agencies (CAAs) have been providing a full range of housing programs to low-income Americans for more than 16 years, according to a national survey. Preliminary findings from the *Community Action Agencies Housing Programs* survey, conducted by the National Association of Community Action Agencies (NACAA), will be released today during NACAA's annual Policy Forum at the Washington Court Hotel.

The survey supports previous findings of a tremendous need in America for safe and affordable housing. The low wages earned by many workers fuel this demand. The National Low-Income Housing Coalition has found that the federal minimum wage is not sufficient to pay rent and utilities for a modest, two-bedroom unit in any state. On average, a worker earning the minimum wage would have to work the equivalent of 66 hours a week to afford the Median Fair Market Rent for a two-bedroom rental unit.

Nearly 86 percent of CAAs responding to the survey provide housing services. On average, they spent \$1.6 million dollars and served nearly 700 families in their housing programs in the last year. More than half have Community Housing Development Organization (CHDO) certification, which gives them access to additional funding and technical assistance. Other findings include:

- 36 percent provide direct housing management services, and almost 20 percent manage their locality's federal Section 8 rental subsidy program.
- Nearly 50 percent provide rental counseling, and nearly 60 percent provide housing budget counseling.
- 29 percent provide governmental Down Payment Assistance for homeownership, and nearly 15 percent provide homeowner loans
- Almost half provide pre-purchase counseling, and 32 percent provide post-purchase counseling.

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NACAA RELEASES LOW-INCOME HOUSING PROGRAMS SURVEY

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To address the housing needs of low-income people, responding CAAs feel they could increase the housing supply through the use of mechanisms such as a National Housing Trust Fund. CAAs also believe that the Section 8 program is effective but underfunded and should be expanded to increase the number of vouchers and to make more agencies eligible to administer the program.

The survey represents responses from 306 CAAs, about a 33 percent return rate. "This survey was designed to capture the scope and impact of CAA housing activities," said NACAA Executive Director John Buckstead. "The results will help us demonstrate to the nation Community Action's capacity to address the housing needs of America's low-income population."

Today's Policy Forum features the release of the survey data during a panel on America's housing crisis, which will feature model CAA housing programs.

Based in Washington, DC, NACAA is the national association representing the interests of the 1,000 Community Action Agencies (CAAs) organized to fight poverty at the local level. CAAs comprise the premiere network in community building, service delivery, and low-income advocacy in this country. For more information on NACAA and CAAs, visit the association's Web site at www.nacaa.org.

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