

PLANNING TO MEET LOCAL HOUSING NEEDS: THE ROLE OF HUD'S CONSOLIDATED PLANNING REQUIREMENTS IN THE 1990s

Final Report

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Foreword

This report continues a 25-year PD&R tradition of conducting research on housing planning requirements. It complements “Analysis of State Qualified Allocations Plans for the Low-Income Housing Tax Credit Program,” a report being published simultaneously. Both reports examine the implementation of federally mandated planning requirements in the 1990s. This report looks at locally prepared Comprehensive Housing Affordability Strategies (CHAS)/Consolidated Plans that carry out the purposes of the National Affordable Housing Act, while the other looks at state prepared Qualified Allocation Plans (QAPs) for the Low Income Housing Tax Credit program.

“Planning to Meet Local Housing Needs: The Role of HUD’s Consolidated Planning Requirements in the 1990s” should be useful to both local governments and federal policymakers. The release of this report coincides with the availability of new housing needs data from the Census 2000, thus offering guidance to local governments on how they might effectively implement their housing strategies at the same time that they have current needs data to update those strategies. It also comes at a fortuitous time for federal policy makers, as we consider ways to make the Consolidated Plan less burdensome and more useful.

This study reviews how large central cities and suburban jurisdictions in six metropolitan areas with very diverse housing markets undertook housing needs analysis and priority and strategy development for housing plans during the 1990s. It then examines what actual housing implementation occurred during that time period and how the needs for affordable housing changed.

For federal policy makers, this report makes four key recommendations for improving the Consolidated Plan process. The recommendations relate to timeliness of data, the comprehensive nature of the plan, PHA participation, and activity reports. These recommendations will be taken into account as the Department proceeds to make the Consolidated Plan easier to prepare and more effective at guiding program implementation.

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TABLE OF CONTENTS

1. INTRODUCTION AND OVERVIEW.....	1-1
Study Scope and Approach.....	1-1
Organization of the Report	1-2
Summary of Findings and Recommendations	1-3
2. THE EVOLUTION OF HUD'S CONSOLIDATED PLANNING REQUIREMENTS....	2-1
CDBG and the Housing Assistance Plan (HAP)	2-2
HOME and the Comprehensive Housing Affordability Strategy	2-5
The Consolidated Plan	2-8
Related Developments in the ConPlan Era.....	2-10
Important Developments in Federal Housing Assistance Policy	2-12
Implications	2-14
3. HOUSING MARKET CONDITIONS AND TRENDS IN THE SIX STUDY SITES.....	3-1
The Six Study Sites — Contrasts in Metropolitan Circumstances.....	3-1
A Closer Look at Housing Conditions in the Study Sites.....	3-8
4. LOCAL IMPLEMENTATION OF HUD'S PLANNING REQUIREMENTS.....	4-1
Assessing Local Housing Needs.....	4-1
Developing Priorities and Strategy	4-3
Input from Citizens, Advocates, and Practitioners.....	4-7
Communication and Coordination Across Agencies and Programs.....	4-10
5. IMPACTS OF THE PLANNING PROCESS.....	5-1
Assessing Local Market Conditions and Housing Needs.....	5-1
Setting Priorities and Strategies	5-5
Allocating Federal Housing Resources	5-16
Overall Effectiveness of Local ConPlans	5-27

6. CONCLUSIONS AND RECOMMENDATIONS6-1

REFERENCES

SITE-BY-SITE DATA TABULATIONS ARE AVAILABLE FROM WWW.HUDUSER.ORG

1. INTRODUCTION AND OVERVIEW

This report presents findings from research sponsored by the U.S. Department of Housing and Urban Development (HUD) to assess the effectiveness of federal requirements for the development of local housing plans. Throughout the 1990s, HUD has required local jurisdictions to prepare formal strategies or plans as a condition for receiving federal housing funds. More specifically, the National Affordable Housing Act of 1990 requires states and local jurisdictions that receive HOME funding to develop a Comprehensive Housing Affordability Strategy (CHAS). In 1993, HUD linked the CHAS requirement to planning and administrative requirements for other programs, creating the Consolidated Plan (ConPlan).² These planning requirements are intended to encourage communities to allocate federal housing resources—in conjunction with state and local funding—to address local needs and market conditions.

Study Scope and Approach

To assess the effectiveness of HUD's planning requirements, this study explores how communities of different types have documented housing needs over the course of the 1990s; how their housing plans relate to local needs, priorities, and market conditions; and how these plans have shaped federally funded housing activities. More specifically, the Urban Institute conducted case studies of selected city and suburban jurisdictions in six metropolitan areas, including extended field visits to more fully understand local plans and activities in the context of market conditions and trends. The findings and policy implications presented in this report are drawn from these individual case studies.³ Our approach to this research involved four basic steps.

¹ The CHAS requirements were first implemented by HUD in 1992, for federal fiscal year 1993.

² Both the CHAS and the ConPlan cover a large number of federal housing programs. However, the requirement to prepare such a plan is targeted to participating jurisdictions (PJs) in the HOME program and entitlement jurisdictions in the CDBG program. Note that HUD implemented other planning requirements during the 1990s, including the Continuum of Care Plan and the PHA Plan. The central focus of this report, however, is the ConPlan.

³ Individual case study data are summarized in annex tables available electronically only through www.huduser.org; the analysis of local housing plans and activities has been supplemented by analysis of state strategies for allocating low-income housing tax credits and their implications from a local perspective. Results of this analysis are reported separately.

- 1. *Select study sites that reflect important variations in market conditions and trends.***
Drawing from metropolitan areas with American Housing Survey data for the 1990s, we selected six metro areas for this research effort. For each of the selected metros, we then select individual jurisdictions for in-depth study, including the primary central city of each metro area. Suburban jurisdictions were selected to reflect important geographic differences within the region.
- 2. *Prepare a preliminary analysis of housing needs, plans, and activities for each site.***
For each of the study sites, Urban Institute staff assembled as much secondary data as possible to document housing needs, plans, and activities. These data were used to prepare a preliminary analysis of housing needs, plans, and activities and to develop questions for in-person visits to the sites.
- 3. *Conduct field visits to investigate relationships between needs, plans and activities.***
In order to more fully understand the rationale behind local plans and activities, as well as connections with housing needs, we conducted field visits to each metro area. Each trip lasted three days to allow for meetings with planners, program administrators, and other knowledgeable actors in each of the study jurisdictions. Interviews were specifically targeted and focused to explore issues raised for particular jurisdictions from the preliminary analysis. In other words, we did not ask a standard set of questions in all interviews or for all sites.
- 4. *Draw cross-site lessons and policy implications from the metro-area case studies.***
The last step in the analysis of metropolitan plans and activities was to look across the six metro areas to identify cross-site lessons and policy implications. This cross-site analysis synthesized findings from the individual study sites to describe the range of approaches to housing needs analysis and planning, and to assess the impacts of these planning requirements on the allocation of federal housing funds.

Organization of the Report

The remainder of this report consists of five chapters. Chapter 2 presents a brief history of HUD's planning requirements, including precursors to the CHAS, the introduction of the ConPlan, and the evolution of HUD's planning requirements over the course of the 1990s. It introduces four basic policy goals that motivate these planning requirements: 1) fact-based assessment of housing needs at the local level; 2) local priorities and strategies that respond to documented needs; 3) public access and accountability for local housing strategies; and 4) coordination across housing agencies and programs at the local level.

Chapter 3 describes key housing market trends and conditions and documents housing needs across the six metropolitan areas selected for this study. The metropolitan areas of Atlanta, Boston, Cleveland, Minneapolis-St. Paul, San Antonio, and San Francisco were selected to reflect the diversity of urban housing markets nationwide. City and suburban jurisdictions in these metro areas face very different challenges and have access to different levels and types of federal resources for meeting housing needs.

Chapter 4 describes the diversity of approaches local jurisdictions have adopted for implementing the CHAS and Consolidated Planning requirements. All the jurisdictions we visited have satisfied the minimum requirements established by HUD. But the ways in which they have done so vary significantly, partly because of important differences in pre-existing systems and relationships for allocating housing resources.

Chapter 5 discusses the impacts of the ConPlan process on local priority-setting and on the allocation of federal housing resources. It assesses the extent to which the fundamental goals of the process (introduced in chapter 2) are being achieved at the local level. More specifically, this chapter discusses whether local needs assessments accurately reflected conditions and needs in the 1990s, whether local priorities and strategies responded to these needs, and whether federal resources were allocated according to locally-articulated priorities and strategies.

Finally, chapter six suggests ways in which the existing ConPlan requirements might be modified and HUD might provide more effective support and guidance to local communities that would strengthen local processes and further the goals of 1) fact-based needs analysis; 2) responsive priorities and strategies; 3) public input and accountability; and 4) inter-agency communication and coordination.

Summary of Findings and Recommendations

Today's ConPlan requirements reflect multiple HUD objectives, including planning, grants application, and management reporting. And the requirements have evolved rapidly over the course of the 1990s. However, four core goals motivate the ConPlan requirements:

1. Jurisdictions should develop an objective, **fact-based analysis** of local housing needs, that reflects the incidence and severity of housing problems among different segments of the population.
2. Jurisdictions should articulate **priorities** for addressing the needs they have documented, and define **strategies** and activities linked to these priorities.

3. Citizens, community representatives, and housing practitioners should have meaningful opportunities to help shape the analysis of needs and the development of priorities and strategies, and the jurisdiction should be **accountable** to the community for implementing the strategy it establishes.
4. The multiple agencies that control housing resources and provide housing assistance locally should **communicate and coordinate** so that their strategies and actions work together.

Our analysis focuses on the extent to which these goals are being achieved and ways in which HUD could encourage and help jurisdictions to advance them further. However, it is important to note that the Consolidated Plan is more than just a planning process; it also incorporates significant advances by HUD in integrating its program administration, including cash management and monitoring functions, into a single administrative process and annual cycle. Improvements and efficiencies in these administrative mechanisms were almost universally acknowledged by the participants in this study.

All of the jurisdictions in our study met the minimum requirements established by HUD for the ConPlan process, and many went beyond the minimum. However, the process presented challenges which limited the extent to which HUD's fundamental goals could be achieved:

- **Needs analysis.** All of the jurisdictions supplemented the 1990 census tabulations provided by HUD with locally available data and produced careful analyses of local housing needs. Many worked with local service providers to develop credible estimates of homelessness and of persons with special housing needs. However, over the course of the decade, jurisdictions were increasingly frustrated by their perception that the census data failed to accurately reflect current conditions and trends, and few had the time, expertise, or resources to produce comprehensive updates.
- **Priorities and strategies.** Most of the jurisdictions made their priorities and strategies reasonably explicit, and related them to the analysis of needs. For some communities, this represented the first local efforts to link housing activities to strategies. In others, however, the HUD planning requirements were imposed over pre-existing local planning efforts, sometimes as a separate and redundant planning process. Locally articulated priorities did not always target segments of the population with the highest incidence or severity of documented needs. In part, this reflects the fact that priorities are not established solely on the basis of needs, but it also reflects flexibility that allowed jurisdictions to set priorities for an overall housing strategy (including state and local resources, public housing, and Section 8 vouchers) or just for their use of the federal block grant funds. This resulted in a

lack of clarity that makes it difficult to assess the extent to which the jurisdiction implemented its priorities.

- **Public input and accountability.** All of the jurisdictions met HUD's requirements for consultation, public notice, and citizen input. Some went far beyond these requirements, actively involving community representatives and housing practitioners in the planning and priority-setting process. The dual HUD requirements of minimum public participation and industry consultation provide a balanced set of opportunities for community input into analysis and strategies. Moreover, HUD linked performance reporting of programs to the Consolidated Planning process, which has the potential to provide for accountability in implementing strategies. However, HUD's current systems and guidelines for reporting on activities and spending tend to focus on program compliance and do not explicitly relate back to priorities and strategy. Therefore, it is difficult for members of the community and HUD staff to monitor the extent to which a jurisdiction's plans are actually being implemented or its priorities are actually being advanced.
- **Agency communication and coordination.** All of the jurisdictions satisfied the basic requirements for notice and information sharing across agencies of local government. Some have developed formal systems for ongoing communication across agencies that help coordinate actions and leverage resources. However, in all of the jurisdictions, meaningful coordination with the Public Housing Agency (PHA) has presented a challenge, in part because PHAs are not required by HUD to integrate their activities with other housing initiatives at the local level. State and regional coordination also did not occur at levels that were encouraged by HUD guidance.

Thus, we conclude that jurisdictions are successfully implementing the ConPlan requirements, and that these requirements are generally having a positive impact on local planning processes. But HUD could strengthen and clarify the process and provide more support to jurisdictions to make the local ConPlans more meaningful and effective. Specifically, the ConPlan process could be improved by:

- **Addressing the problem of outdated census information**, either by providing data and tools to produce more current estimates or by requiring only one needs assessment per decade.
- **Providing explicit guidance that priorities and strategies should reflect all federal, state and local resources**, and encouraging jurisdictions to develop their priorities for the HUD block grant funds as a part of these larger strategies.

- ***Designing activity reports that align with priorities and strategies***, providing data on all HUD funding flowing into a jurisdiction, and differentiating reports that are intended to inform the community from reports required to satisfy HUD monitoring responsibilities.
- ***Requiring PHAs to actively participate in the local planning process***, so that both the ConPlan agency and the PHA have incentives to coordinate their planning and implementation activities.

These recommendations do not necessarily require either statutory or regulatory changes. Instead, they could be implemented through a combination of clear instructions and consistent guidance, provided with ample advance notice.

2. THE EVOLUTION OF HUD'S CONSOLIDATED PLANNING REQUIREMENTS

When the U.S. Department of Housing and Urban Development (HUD) was established in the late 1960s, its officials exercised substantial control over how resources would be allocated, even within localities. A central theme in the story of what has happened since is the reduction of that control. Within a broad legal/regulatory and budgetary framework, local actors now make the bulk of the choices as to how much HUD money will be spent on what, when, where, and how.

To obtain HUD funds, however, local governments have always been required to prepare plans for how they will use them and to submit those plans to HUD ahead of time. HUD can withhold approval if it finds the plans do not meet basic content and processing requirements, but it cannot reject the programmatic choices they embody—priority setting has for some time been a local prerogative.

The nature of the plans and specific requirements related to them have changed over time. This chapter summarizes the history of this evolution in four phases:

1. 1974-1990 – The Community Development Block Grant (CDBG) program and the Housing Assistance Plan (HAP).
2. 1990-1994 – The HOME program and the Comprehensive Housing Affordability Strategy (CHAS).
3. 1995-1996 – The Consolidated Plan.
4. 1997-2002 – Related Developments in the ConPlan Era.

The main features of this process are summarized in Exhibit 2.1, which identifies the plans and reports required from local jurisdictions for each year from 1990 through 2000. Over the same period, the mix of housing assistance resources provided by the federal government changed dramatically. This chapter reviews the key developments in the evolution of federal planning mandates and federal housing assistance resources during the 1990s.

Exhibit 2.1 — The Evolution of HUD Planning Requirements

Year	Strategic Plan	Other Plans	Program Spending Plan	Performance Reports & MIS
1990	HAP (CDBG) CHAP (ESG)		CDBG Final Statement	CDBG GPR
1991				
1992	CHAS 1: 5 yr (replaced HAP/CHAP)		HOME Program Description	HOME APR & CMIS (HOME only)
1993				
1994	CHAS 2: 5 yr (updated CHAS)			CHAS APR
1995	ConPlan: 3-5 yr.			
1996		Continuum of Care		CAPER
1997				IDIS
1998	(2 nd ConPlan if 1995 was 3 yr plan)			
1999		PHA Plan		
2000	(2 nd ConPlan if 1995 was 5 yr plan)			

CDBG and the Housing Assistance Plan (HAP)

The Housing and Community Development Act of 1974 might well be viewed as the most important watershed in this evolution. It replaced several categorical initiatives with the Community Development Block Grant (CDBG) program which, for the first time, gave local governments broad latitude in spending HUD community development funds. It also established, however, that the receipt of CDBG funding would be contingent on the locality's preparation of a Housing Assistance Plan (HAP).¹ Struyk and Khadduri (1980) explain:

These plans were to serve several purposes: link the provision and location of subsidized housing to community development activities; cause local

¹ See in particular, Section 104 of the Housing and Community Development Act of 1974 (42 U.S.C. 5304), and Section 213 (42 U.S.C. 1439).

governments to develop genuine strategies in the context of their market conditions for assisting low-income poorly housed residents to obtain adequate housing; and, provide the underpinnings for a national housing strategy that would reflect the aggregate of local strategies.

HAP Planning Requirements. Local governments had been required to submit plans and related materials to HUD before,² but this was the first time that a truly comprehensive analytically-based strategy was called for. The HAP submissions consisted of five forms. The first two contained a description of housing conditions (number of housing units in the jurisdiction by type, tenure, and condition), and estimates of housing assistance needs of lower-income households (by type of household). The final three described the locality's proposed three-year housing program in considerable detail; showing, for example, the number of households to be assisted by household type, by type of treatment (e.g., new construction, rehabilitation, or tenant-based-assistance) and by subsidy program.

The HAP remained the central HUD planning requirement for localities from 1974 through 1990, and it was supposed to be the central guide to HUD staff in specific funding decisions. This did not matter much for CDBG. The total amount of the CDBG grant the locality would receive was determined by a national allocation formula. HUD officials checked CDBG spending plans to assure that they met basic program requirements (e.g., with respect to targeting to low-income groups), but they no longer had authority to make changes beyond that.³

With respect to housing construction and rehabilitation, however, HUD still granted approvals on a project-by-project basis. After the 1974 Act, HUD officials were supposed to use the local HAPs as a guide to those decisions as well as to allocating funds for tenant-based-assistance (the "Existing Housing" component of the Section 8 program, where HUD subsidizes part of the rent for needy households in the private housing market).

The HAP requirements were designed in a period when HUD's "production programs" (those that subsidized new projects) were expected to continue to operate at high levels. It is important to note, however, that the 1974-1990 period actually saw the virtual demise of these programs. The amount of new public housing being built was negligible throughout. Publicly-assisted housing (privately owned but with HUD subsidies) received a boost after 1974 with the creation of the New Construction and Substantial Rehabilitation components of Section 8, but

² The submission required before the HAP was called the Workable Program for Community Improvement.

³ For a full discussion of the requirements, see Walker et al, 1995.

those programs too were shut down in the early years of the Reagan administration.⁴ Thus, by the late 1980s, the expanding Section 8 Existing Housing component and any portions of CDBG funds local governments wanted to spend on housing were the main forms of HUD housing assistance left for the HAPs to propose.

One group of new programs was started in 1987, however: the McKinney Act Homeless Assistance Programs.⁵ The Act required local governments to prepare a separate plan to receive funds for them: the Comprehensive Homeless Assistance Plan (CHAP).

Assessing the HAP Process. The HAP clearly had positive impacts. A HUD sponsored assessment in ten cities, for example, (Dommel and Associates, 1982), found that the process had generally given mayors and city councils greater awareness and understanding of housing needs. It had also increased participation by citizens and communities in the planning of housing assistance. An earlier report covering activity in 36 cities (Berkeley Planning Associates, 1977) concluded that the HAPs increased local awareness of housing problems and introduced housing planning to many jurisdictions for the first time. Nonetheless, the findings of these studies and by other researchers (Bogdon, et al, 1993; Struyk and Khadduri, 1980) showed that it also had its problems. These generally fell in four categories.

1. HAP requirements called for ambitious analyses of local housing market conditions and needs. Local officials seldom had the data to perform these analyses effectively and HUD provided little data, methodological guidance, or technical assistance to help them in this effort. Struyk and Khadduri (1980) state that the locals were “required to fill out immensely detailed forms, often using data that all concerned feel is of questionable accuracy.”
2. As broad as it was, the HAP was still not comprehensive or coordinated enough. The process did not officially cover all forms of housing assistance and it did not mandate sufficient coordination among local housing departments, HUD area offices, and state agencies. In addition to the fact that housing assistance provided by state agencies and federal agencies other than HUD was not covered, a substantial share (20 percent) of HUD resources (the “central office reserve”) could be allocated without complying with HAP constraints.
3. There was also concern about undue HUD influence in shaping the program mix in the local HAPs. Different administrations had different views, for example, about whether production

⁴ For a more complete explanation of how the various components of the Section 8 programs work, and policy trends related to them, see Kingsley, 1997.

⁵ Stewart B. McKinney Homeless Assistance Act of 1987 (tit. IV), 42 U.S.C. 11301 *et seq.*

programs or tenant-based-assistance should have priority and pressures were applied in various ways to encourage local jurisdictions to select the favored emphasis in their plan. Also, the way HUD allocated the central office reserve could distort local priorities.⁶

4. The use of the HAPs as a guide to national allocations simply did not work out as hoped. HUD was under substantial pressure to obligate all of the housing assistance funds appropriated each year. Sometimes this meant having to shift funds toward program types and jurisdictions that had the capacity to expedite spending and away from those that did not, regardless of what was called for in the HAPs, either for individual localities or in the aggregate nationally. And production programs depended on applications from developers, which could not be controlled nationally. An internal HUD analysis of the correspondence between the types of Section 8 units reserved during FY 1979 and the units in the FY 1976 HAP goals, for example, found “a very weak relationship” (Struyk and Khadduri, 1980, p. 393).

HOME and the Comprehensive Housing Affordability Strategy

By 1990, concerns with the overall housing assistance system had been mounting for some time. A central issue for many was that there was no longer a viable HUD assisted production program, but there appeared to be no support for reinstating a program as centrally controlled as Section 8 New Construction and its predecessors. The solution was to create a new block grant program that would operate generally like CBDG, but be devoted solely to housing. This was the HOME Investment Partnership Program, enacted as the central feature of the Cranston-Gonzales National Affordable Housing Act of 1990 (NAHA). As with CDBG, participating jurisdictions would receive a formula-based HOME grant each year and, within broad national guidelines, have considerable latitude as to how to spend it; in this case, choosing among other things their own mix of housing program types (new construction, rehabilitation, homebuyer assistance, tenant-based assistance).⁷

Also as before, the new law required the preparation of a local plan: the Comprehensive Housing Affordability Strategy (CHAS) which replaced both the HAP and the CHAP. The CHAS specifications incorporated many of the basic goals and features of the HAP, but made changes to address lessons from the HAP experience. Motivations of the U.S. Senate Committee (1990, p. 41-2) certainly sounded similar:

⁶ See, in particular, Dommel and Associates (1982) and Struyk and Khadduri (1980).

⁷ For a full description of how the HOME program works, and of its performance through the mid-1990s, see Walker et al, 1999.

The development of the housing affordability strategies is intended to direct the allocation of limited resources to the most effective actions, to coordinate the full array of public and private housing actions toward specific objectives, and to provide a mechanism for public participation and review.

In fact, however, it was clearly the intent of Congress to give the requirement of local strategic planning more prominence with the CHAS than it had under the HAP. Regulations governing the HAP had been a part of the overall CDBG regulations, whereas the CHAS was established in an independent section of NAHA and was to have its own separate regulations. The main purpose of the CHAS, as stated in NAHA, is to carry out the purposes of NAHA.⁸ HOME (in Title II of NAHA) did not beget the CHAS (in Title I.)

CHAS Planning Requirements. The structure of the CHAS was generally similar to that of the HAP. It was to contain three sections and five parts, as follows (Nelson, 1992, p.86):

Section I: Community Profile

Part 1: Needs assessment (low- and moderate-income households)

Part 2: Market and Inventory Condition (Tables on: Population and minority data; Housing stock inventory; and Assisted housing inventory)

Section II: Five-year Strategy

Part 3: Strategies (including priorities for the five-year assistance plan)

Section III: One-year plan/annual updates

Part 4: Resources (Anticipated resources and plan for investment)

Part 5: Implementation (Goals for families to be assisted with housing)

A CHAS was required as a condition for obtaining funding under a variety of programs, some old and some newly created by, or at about the same time as, the enactment of NAHA. These include the two major block grant programs (CDBG and HOME); the Emergency Shelter

⁸ The purposes of NAHA, as listed in Section 103, are "(1) to help families not owning a home to save for a down payment for the purchase of a home; (2) to retain wherever feasible as housing affordable to low-income families those dwelling units produced for such purpose with Federal assistance; (3) to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of housing affordable to low-income and moderate-income families; (4) to expand and improve Federal rental assistance for very low-income families; and (5) to increase the supply of supportive housing, which combines structural features and services needed to enable persons with special needs to live with dignity and independence." (42 U.S.C. 12703)

Grant program (ESG—the McKinney Act initiatives); Housing for People with AIDS (HOPWA, created as a part of the 1990 Act⁹); all variants of the HOPE Program; Supportive Housing for the Elderly and Disabled (Sections 202 and 811); the Safe Havens Demonstration Program; the Supportive Housing Program; the Mod-Rehab SRO Program; and the Rural Homeless Grant Program.

Local governments were asked to submit their first CHAS for fiscal year 1992. However, this was a very limited effort, implemented in just a few months. The analysis had to be done using woefully out of date information (mostly from the 1980 census since 1990 census data were not yet available), and there was little time for public participation in strategy formulation. Accordingly, grantees were asked to redo the CHAS for fiscal year 1994 using newly available 1990 census data and responding to intervening statutory changes related to anti-poverty policy (among other things, requiring broader involvement of social service agencies), lead-based paint, and public participation (see further discussion below).

Innovations and Exclusions. While the CHAS process was in many ways similar to that of the HAP, there were some significant differences, many of which were based on lessons from the HAP experience. The most important of these are as follows:

1. ***Data and Analysis.*** Because of the difficulties localities had in complying with HAP requirements in these areas, HUD made a significant effort to help them with similar tasks in the CHAS. Most important, HUD acquired special tabulations from the 1990 census and sent them out to all states and participating local governments in time for the 1994 CHAS update. These contained cross-tabulated information on household types and housing conditions (including rent-burden and affordability ranges) that could not be derived from the standard census products being made available to the public (Nelson, 1982). In addition, HUD commissioned a number of special studies and guidebooks that would help in the technical aspects of CHAS preparation see, for example, Bogdon, et al, 1993.
2. ***Public Participation.*** The original 1974 CDBG legislation imposed a significant public participation requirement in the local process of planning for the use of HUD funds. In NAHA, these requirements were expanded in their application to the CHAS, mandating preparation of a local Citizens-Participation Plan (Gramlich, 1998). Activities under the plan were expected to ensure that the public has easy access to documents produced during the process and that public hearings will be held to enable citizens to voice concerns for the record. An important emphasis in NAHA related to new requirements for “consultation” with social service providers in the needs assessment process. This reflects the recognition that

⁹ NAHA (tit. VIII, Subtitle D), 42 U.S.C. 12901.

if citizens are not involved until government agencies have done most of the work, there will probably be substantial resistance to changing the draft CHAS in any significant way.

3. *Interagency Coordination.* The CHAS regulations, for the first time, required localities to do more to involve a broader range of governmental actors in the planning process and in implementation. Jurisdictions must specify the “Institutional Structure” for the process and also the means that will be employed to achieve improved interagency coordination. The regulations also encouraged consultation with state governments.
4. *Cash and Management Information System (CMIS).* HUD set up the computer-based CMIS in 1992 to track activities and expenditures in the HOME program, based on submissions of data from Participating Jurisdictions. Local governments had been required to report similar transaction data for other HUD programs in the past, but this was the first time that such reporting was used to trigger the release of subsequent funding from HUD.
5. *Eliminating Expectations Related to Influencing National Allocations.* HOME represented a notable further devolution of decision-making authority over the use of HUD housing assistance. Both HOME and CDBG funding allocations were fixed by formula and HUD no longer had much say over program mix (e.g., between rehabilitation and new construction). Accordingly, after the CHAS replaced the HAP, there was no longer any expectation that local plans would be “added up” nationwide to somehow influence the overall allocation of housing assistance.
6. *Exclusion of Public Housing Authority Programs.* One important programmatic element was missing, however. The initial CHAS tables were to examine housing needs in total, but in the strategy and plan sections there were no requirements (as there had been in the HAP) to explicitly account and plan for the programs operated by local public housing authorities (PHAs). That is, public housing and Section 8 tenant-based assistance, what many would consider as the major vehicles by which housing assistance is provided to low-income families in America, did not have to be recognized directly as a part of the strategy. Localities were required merely to consult with PHAs on modernization needs and resident initiatives.

The Consolidated Plan

Starting in 1993, comments from grantees and interest groups prompted HUD’s Office for Community Planning and Development (CPD) to consider further modifications to planning requirements for local governments. Some comments centered around the fact that in addition to preparing the CHAS, localities were required to prepare and submit separate applications or more detailed annual plans for the constituent CPD programs covered by the CHAS. There was

a “CDBG Final Statement” which had to describe specific use of each year’s allocation of CDBG housing funds, the “HOME Program Description” which did the same for HOME, and separate application forms and processes for ESG and HOPWA. There was also a separate plan for non-housing activities under CDBG (not covered under CHAS planning). And, related to every one of the plans, there was a requirement to submit a separate report on performance and spending after the fact. Many thought that all of these requirements created more work for local officials than was productive and detracted from the goals of coherence and coordination. Others said they felt the required CHAS tables covering analysis of needs and market conditions were overly elaborate. Finally, housing advocacy groups noted the concern that local governments were not obligated to consult with them in plan preparation, as they were with service providers.

In response, HUD created the Consolidated Plan, most often called the ConPlan. The ConPlan requirements did not necessitate a change to the law. They were implemented through a modification of the CHAS regulation (24 CFR part 91), consistent with the statutory authority provided under NAHA. The new regulations maintained the basic structure of the CHAS (analysis, strategy, annual plan) but simplified requirements related to submission forms in the analysis section to reduce complexity, and permitted the grantees to choose whether they would prepare the strategy for either a 3- or 5-year duration. Also, for the first time, they did require the submission of explicit plans for the non-housing elements of CDBG as a part of this framework, and they expanded consultation requirements to cover advocacy groups, adjacent local governments, and PHAs.¹⁰

The most important change, however, was that they eliminated all of the additional plan and application requirements noted above so that the ConPlan’s Annual Plan submission would be the sole description of expected local activity submitted to HUD for all of the CPD programs. The jurisdictions were permitted to determine a single program year schedule that was relevant to local administration rather than the Federal fiscal year. This created some difficult schedule adjustments initially, since the separate plans had different submission timetables. It also implied that the program descriptions in the ConPlan’s Annual Plan element had to be more detailed than that expected in the CHAS, so it could serve as the basis for HUD’s release of funds.¹¹ But since it eliminated the need for all of the other individual program plans, the ConPlan substantially reduced the amount of paperwork and processing required overall.

¹⁰ Although, strangely, the regulatory citation that encouraged consultation with state governments in the previous regulations were deleted.

¹¹ In the CHAS Annual Plan, programs could be described more generally; for example, indicating the targeted number of units to be built under a particular component of HOME in a certain area. The Annual Plan

The first ConPlans were required to be submitted by participating jurisdictions for program year 1995.¹² In preparing them, localities obviously did not have to start from scratch, since a complete 5-year CHAS strategy had been prepared and submitted the year before. Nonetheless, the work entailed was not trivial since the new regulations implied a number of adjustments, and public participation in developing the new plans was required throughout.

Related Developments in the ConPlan Era

The Consolidated Plan process has continued to operate without fundamental alteration since 1995. Annual planning and performance reporting have continued much as expected. Jurisdictions that chose to develop 3-year strategies submitted their first updates in 1998 and those that chose the 5-year option submitted updates in 2000. However, at least four modifications and related developments are noteworthy.

The CAPER. The first important change associated with the ConPlan was the implementation of the Consolidated Annual Performance Evaluation Report (CAPER—first instituted in 1998 to cover performance in FY1997). As noted above, not only did the constituent programs have separate application/planning requirements before the ConPlan, they also had differing requirements for reporting performance under their plans. CDBG had the “CDBG Grantee Performance Report (GPR)”, HOME had the “HOME Annual Performance Report (APR),” etc. The CAPER replaced all of these¹³, making performance reporting more consistent with respect to both substance and timing.

CAPERs consist of a self-assessment narrative, data on activities and spending, and other data to enable HUD to assess conformance to relevant legal requirements. The narrative is supposed to be tied directly to the jurisdiction’s objectives as stated in the ConPlan, clearly stating “here is what we said we would do and here is what we actually did.” There is also a public participation requirement, in which citizens have a 15 day comment period before the CAPER is sent to HUD, but rules related to this requirement are not clearly articulated. The CAPER was implemented via field memorandum in February 1998, which has never been

component of the ConPlan, however, required project-by-project work descriptions, schedules, and financial information.

¹² Actually, local governments could choose any date between January 1 and October 1, 1995, as the specific start date of their first “program year” under the ConPlan. This allowed them to align HUD spending with local fiscal year conventions. The localities had to submit their proposed plans to HUD at least 45 days before their proposed start date.

¹³ Technically, the GPR was incorporated into the CAPER.

revised and brought into the regulations. A basic tension is that the document has to serve two purposes which can be in conflict: (1) supporting a dialogue with the public about strategy and results; and (2) providing detailed documentation to HUD staff who must make official compliance determinations.

The Integrated Disbursement and Information System (IDIS). IDIS is a computer-based information system maintained by HUD that records the local activities and expenditures made under ConPlan programs in considerable detail. It was created to serve as an online real time system for HOME, CDBG, and other HUD Office of Community Planning and Development (CPD) formula programs. The HOME CMIS system was considered during the IDIS development process, thus allowing HOME expenditures that had been reported electronically since 1992 to be uploaded into IDIS. However, more than twenty years worth of data on the CDBG program prior to 1996/97 would have had to be inputted manually by grantees and a decision was made by HUD not to impose such a burden on grantees. Accordingly, the system now has data on HOME expenditures back to 1992, but CDBG information only back to 1996/97. IDIS data are provided directly to HUD but must also be tabulated locally as a part of the CAPER. One advance is that IDIS data can now be provided to HUD directly on-line, rather than via the telephone/paper system used in the days of CMIS. As IDIS improves, there have been proposals to expand the use of this type of system to other HUD grant programs (Gramlich, 1998). The public can currently access data from IDIS on HUD's web page and use those data as a tool for accountability.

The Continuum of Care Plan. In many cities, providers of services to the homeless have pursued their agenda with considerable independence from other housing providers and advocates. In 1996, HUD added the requirement that a separate Continuum of Care Plan be prepared as a condition for the receipt of funds under a number of competitive homeless grant programs. It might seem that this requirement represents a throwback toward "separate plans for separate programs," but efforts have been made to integrate this Plan closely into the ConPlan framework. The regulations say that Continuum of Care Plans must be consistent with the "homeless and non-homeless special needs" aspects of the ConPlan and, conforming to HUD guidance, many jurisdictions now incorporate their Continuum of Care Plans as the homeless/special needs elements of their ConPlans.

The Public Housing Authority (PHA) Plan. Major housing legislation in 1998¹⁴ required that PHAs prepare annual plans for their own operations. These must cover modernization spending (Comprehensive Grants) along with administration, management,

¹⁴ The Quality Housing and Work Responsibility Act (QHWRA) of 1998, which was a part of the Omnibus Budget Reconciliation Act of that year.

occupancy, resident-initiatives, and other PHA activities. These plans must receive a determination from the local ConPlan agency to the effect that they are consistent with the ConPlan.

Initial regulations under NAHA required that the agency preparing the CHAS “obtain input” from the local PHA on public housing modernization and resident initiatives. As noted earlier in this section, the ConPlan regulations went farther, requiring ConPlan agencies to “consult” with PHAs during planning, meaning that they had to recognize and address PHA comments to the extent any were provided. Through that point, however, the PHA was under no legal obligation to respond in any definite way.

The 1998 Act, then, represents a major change in that it does require action on the part of the PHA. They have to do whatever is needed locally to gain the ConPlan consistency determination. But it should be noted that this still falls short of being a balanced two-way street. It does not require the PHA to “consult” with the ConPlan participants as they prepare the PHA plan; i.e., to solicit and pay attention to their comments before the PHA plan is submitted to HUD.

Important Developments in Federal Housing Assistance Policy

At the same time that the ConPlan requirements were being implemented and refined, the mix of federal resources for rental housing assistance were changing dramatically. Local jurisdictions had considerable discretion about how to use their HOME and CDBG resources, but they had little control over changes in the number of Section 8 vouchers, public housing, and federally subsidized private housing units available to meet the needs of very low-income renters. During the 1990s, three major developments profoundly affected the availability of these housing resources.

First, due to serious concerns about living conditions in distressed public housing, HUD encouraged the demolition and/or reconfiguration of many developments, replacing troubled projects with a combination of lower density and mixed-income housing developments and Section 8 vouchers. Nationally during the 1990s, this lower density replacement of public housing led to a “hard” unit decrease of 131,000 units (Millennial Housing Commission 2002). Many local public housing agencies (PHAs), especially in big cities, saw their stock of public housing units decline substantially, while their Section 8 programs, which require recipients to find suitable housing units in the private market, expanded.

Second, the privately owned deep subsidy stock made a change of course in the 1990s. The total stock of privately owned housing units receiving deep, project-based subsidies from the federal government continued to increase in the early 1990s as units in the production

pipeline for the various programs that officially ended in the early 1980s continued to come on line. After peaking in 1995-96, that “hard unit” privately owned deep subsidy stock began to slowly decline as owners did not renew expiring Section 8 subsidy contracts (Millennial Housing Commission, 2002). Just as with the public housing program, most of these “hard units” have been replaced with various forms of Section 8 voucher assistance. Two programs of the 1990s that continue to produce a relatively small number of privately owned deep subsidy hard units are the Section 202 and 811 programs that serve elderly persons and persons with disabilities respectively. The production from these programs in the late 1990s, however, is not keeping pace with the decrease of other privately owned “hard” deep subsidy units.

Nationally, partly due to vouchers being provided as replacement housing and partly due to incremental increases in the total number of vouchers, there was a 440,000 unit increase in vouchers over the course of the 1990s (Millennial Housing Commission, 2002). This increase in “soft” units nationally far outpaced the loss of “hard” units noted above. However, not all communities fared the same, with some experiencing a net decrease in deep subsidy units in the 1990s while others experienced substantial increases.

The third important development of the 1990s was that the Low Income Housing Tax Credit (LIHTC) program became the primary federal mechanism for producing new affordable rental housing. An estimated 680,000 LIHTC units were produced over the course of the decade. However, these units do not automatically provide the same deep rent subsidy as previous generations of federal production programs. Instead, making LIHTC units affordable for extremely low-income renters required a combination of subsidies, often including local HOME dollars and Section 8 vouchers.¹⁵ Thus, resources from multiple housing programs are increasingly used in combination to meet local housing needs, making it even more important for the local agencies implementing these programs to coordinate.

The growing reliance of federal housing policy on vouchers to meet the needs of the nation’s poorest renters created new challenges for local PHAs. At the same time that many of these agencies were managing major demolition and redevelopment efforts, their Section 8 programs expanded substantially. Moreover, many rental markets witnessed declining vacancy rates and rising rents during much of the 1990s, making it more difficult for subsidized renters to

¹⁵ For example, approximately 23 percent of LIHTC units built in the 1990s also received HOME funding (Hebert, et al, 2001) and 39 percent of LIHTC residents also receive Section 8 subsidy (GAO, 1997). The HOME program also produces affordable rental housing, producing approximately 270,000 rental units in the 1990s, 113,000 without LIHTC (Hebert, et al, 2001). HUD’s HOPE VI program pioneered the combination of public housing funds with LIHTC for developing more units and mixed income developments. Also, some of the developments “opting out” of older FHA programs, such as Section 236, are renovating the properties with LIHTC.

find units where their vouchers would be accepted. In fact, voucher success rates dropped from a national average of 81 percent in 1993 to 69 percent in 2001 (Finkel and Buron, 2001). Helping extremely low- and very low-income renters find housing in the private market requires an understanding of the local rental market, and effective communications with private landlords, non-profit housing providers, and other local housing agencies.

Implications

This chapter has shown that the planning requirements imposed on the local recipients of HUD funds have not evolved smoothly. Particularly in the early 1990s, the rules changed frequently and often in ways that were difficult for local jurisdictions to understand and implement within tight time frames. The process retained tensions throughout; that between the objective of promoting understandable local strategic planning and the objective of providing a thorough basis for administrative oversight being prime among them.

Nonetheless, reviewing this history it is difficult not to be impressed with HUD's serious long-standing, often growing, interest in four key goals.

1. That local planning for the use of HUD funds be grounded in a sound ***fact-based assessment of housing needs***.
2. That local governments be required to develop ***an explicit strategy for addressing the needs as assessed***.
3. That the process ***involve citizens and interest groups meaningfully*** in preparing the plan and monitoring performance under the plan.
4. That the process ***ensure coordination among relevant agencies*** in both planning and implementation.

These four goals are the major themes that have guided our research on how the planning process has actually been implemented in the 1990s, as reviewed in the chapters to follow.

3. HOUSING MARKET CONDITIONS AND TRENDS IN THE SIX STUDY SITES

In designing this work, HUD and the Urban Institute concluded that available resources would support the specified research effectively in no more than six metropolitan areas. To gain the maximum benefit, we felt we needed to choose those sites so that they represented, as far as possible, different types of metropolitan housing markets that now exist in the United States. The first part of this chapter explains how we approached site selection and, in so doing, describes contrasting characteristics of the six that were selected and how they relate to the full range of conditions in America's largest 100 metropolitan areas. The remainder of the chapter summarizes additional information on housing conditions, needs, and trends in the six sites, contrasting conditions within these areas (central cities vs. suburbs) as well as between them.

The Six Study Sites — Contrasts in Metropolitan Circumstances

As implied above, we wanted to characterize varying combinations of metropolitan market conditions and circumstances so that the research would offer valuable guidance for decision-makers in as many different actual local markets as possible. Unfortunately, no ready-made market typology existed to support the selection process. Accordingly, we constructed a rough framework, using data on the 100 largest metropolitan areas from the Urban Institute's National Neighborhood Data System.¹ The basic steps in the process were:

1. Select a set of indicators that differentiate key policy-relevant aspects of local market conditions and behavior.
2. Examine interrelationships between these indicators as the basis for establishing a typology, using the most recent data available for the full range of the largest 100 metropolitan areas.
3. Explicitly identify the placement of the 30 metropolitan areas that were candidates for the work (those for which American Housing Survey (AHS) data were available for the 1990s)

¹The contents of this data system were most recently documented in Kingsley and Tatian, 1999b. The data presented here cover the PMSAs and MSAs with the 100 largest populations according to the 1990 Census. According to Census classifications, Primary Metropolitan Statistical Areas (PMSAs) are adjacent metropolitan areas several of which together make up the nation's largest urban agglomerations, Consolidated Metropolitan Statistical Areas, or CMSAs. Metropolitan Statistical Areas (MSAs) are separate freestanding metropolitan areas. Since we ranked PMSAs and MSAs by size, some smaller PMSAs within CMSAs are not included. We also excluded suburban PMSAs that did not have large central cities within their own boundaries.

in each of the categories identified and make selections so as to choose good representatives from the maximum number of categories.

4. Where there were several candidates per category, select between them based on: (1) the availability of a sufficient number of suburban areas entitled to receive HUD support (Participating Jurisdictions, or PJs) to allow us to characterize intrametropolitan differences in policy and behavior as well as market conditions; and (2) knowledge of other conditions in each area (particular policies, aspects of governance, etc.) that might make one site more interesting than others.

Key Indicators and Variations. We assembled and examined a variety of indicators that generally reflect important variations in housing market conditions and trends. From this group, we selected eight that we believe to be particularly influential and that are not strongly intercorrelated. America's large metropolises differ from each other quite dramatically along each of these dimensions.

1. **Growth.** Clearly, the rate at which an area's population and employment are growing (or declining) sets many of the parameters that define housing market activity. As our measure of growth in this analysis we use the average annual rate of population change from 1990 to 1999 based on U.S. Bureau of the Census estimates². For the 100 areas, this measure ranges from a low of -0.5 percent (Buffalo) to a high of 5.5 percent (Las Vegas).
2. **Segregation of the poor.** Metropolitan areas also differ widely in their spatial structure—in some, the poor are much more segregated than in others. The most prominent measure of segregation is the dissimilarity index (D-index) which can be used to quantify the spatial relationship between any two groups. If the groups are equally spread, the value of the D-index is zero; if they are totally segregated, the value is 100. The D-indexes for the concentration of poverty (poor vs. non-poor—1990 census data calculated at the tract level), range from a low of 22 (Scranton) to a high of 56 (Milwaukee) across the 100 areas.
3. **Housing affordability.** For this indicator, we use a rent-to-income ratio for each metropolitan area as of 1999 derived from HUD's Difficult Development Area (DDA) file. The numerator is the two-bedroom Fair Market Rent (FMR). The denominator is the rent that would be affordable to a family earning 120 percent of the very low income (VLI) threshold (50 percent of the area's median income) assuming they pay 30 percent of their

² We conducted the site selection process in early 2001, before any data from the 2000 census had been made available.

income for rent. Across the 100 largest metro areas, this measure ranges from a low of 0.68 (Youngstown, most affordable) to a high of 1.12 (New York City, least affordable).

4. ***Worst case housing needs.*** This concept is important enough to our purposes that we include it even though we do not have data relating to it for all of our areas.³ The specific measure is the number of households with worst case needs as a percent of all renters in each area. Data are available only for those metropolises where metro-specific versions of the AHS were implemented in the 1990s (the dates are different for different areas, depending on when the survey was last conducted in each area). The share of renters with worst case housing needs in these areas ranges from a low of 9 percent (Washington DC) to a high of 24 percent (Los Angeles).
5. ***Unemployment.*** It comes as a surprise to many that unemployment rates are not highly correlated with economic and population growth. This implies that, at any given employment growth rate, some areas are better than others at linking their most deprived citizens to the new jobs being created (i.e., have better workforce development systems and other factors that link people to jobs more effectively) and/or lack conditions that make this linkage more difficult (e.g., analysis shows that a high volume of immigration is one factor that appears to have this effect). In this analysis we use the metropolitan unemployment rates estimated for 1997 by the Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS) system—a measure that ranged from a low of 2.3 percent (Raleigh) to a high of 13.1 percent (Fresno).
6. ***Minority percent of population.*** Where minority percentages are high, special challenges have to be faced in providing decent housing to all residents, due to segregation and other market barriers. For this measure we defined minorities as all people other than non-Hispanic whites. Data are from the 1999 County and Metropolitan Area level estimates of the Bureau of the Census. The measure ranges markedly, from a low of 3 percent (Scranton) to a high of 78 percent (El Paso).
7. ***House price growth rate.*** It is widely known that some regional housing markets in the U.S. have been experiencing much more rapid inflation in home prices of late than others. Here we rely on the Conventional Mortgage Home Price Index (CMHPI—jointly developed and released by Fannie Mae and Freddie Mac) measured over the period from 1995 to

³For a full definition of worst case housing needs and analysis of the extent and the trends nationally, see U.S. Department of Housing and urban Development, 2000b.

2000. Rates (average annual percent change) range from a low of -3.3 percent (Honolulu) to a high of 12.4 percent (San Jose).

8. **HUD assistance rates.** Finally, we look at the extent of HUD assistance in each local market. Specifically, the measure is the total number of households receiving HUD assistance as a percent of the total low-income renters in each area (the numerator is from the 1996 version of HUD's *A Picture of Subsidized Households* data file, and the denominator is calculated from 1990 Census data—developed in Kingsley and Tatian, 1999a). The measure ranges from a low of 8 percent (Anaheim) to a high of 50 percent (Providence).

Exhibit 3.1 presents the correlation matrix for these indicators.⁴ There are only four correlation coefficients above 0.4: the positive relationships between the minority percent and the affordability ratio (0.59) and the unemployment rate (0.51); the positive ratio between the unemployment rate and the affordability ratio (0.45); and the negative relationship between the population growth rate and the extent of HUD assistance (0.50). The fact that the correlations between these variables are generally weak, coupled with fact that each of them exhibits wide variation across the 100 metropolitan areas, implies that there is no simple typology of U.S. housing markets.

Exhibit 3.1
KEY INDICATORS CORRELATION MATRIX

		Pop. growth	D-index poor-non.	Afford. ratio	Unemp. rate	Pct. pop. minority	Hse.price grow.rate
Population growth rate	1990-99	1.00	-	-	-	-	-
D-index, poor vs.nonpoor	1990	(0.38) *	1.00	-	-	-	-
Affordability ratio	1999	0.06	(0.31) *	1.00	-	-	-
Unemployment rate	1997	(0.09)	(0.18)	0.45 *	1.00	-	-
Pct.population, minority	1999	0.21 *	(0.10)	0.59 *	0.51 *	1.00	-
House price growth rate	1995-00	0.14	(0.04)	0.07	(0.27) *	(0.04)	1.00
HUD assistance rate	1996	(0.50) *	0.17	(0.12)	(0.06)	(0.30) *	(0.07)

* = significant at the 0.5 level (2-tailed)

We still tend to think of the strong images contrasting snowbelt and sunbelt cities in the 1980s, but a number of things have changed. Some areas in the mid-west, for example, now have comparatively strong economies and tight housing markets while some in the southwest have

⁴Only seven of the eight indicators are included on this table. The percent of renters with worst case housing needs was excluded because data are not available for a large number of the areas.

among the nation's highest unemployment rates. Important differences *between* regions remain, but there are now also some stronger contrasts *within* regions.

Selecting Sites for This Research. To simplify the selection process, we divided the 100 areas into terciles (high, intermediate, and low) with respect to seven of the key indicators.⁵ We regarded interaction of the first two variables as most important in defining market types: growth and segregation of the poor. A cross tabulation of the terciles for these two defines nine major categories of metro areas, ranging from “high growth, high segregation of the poor,” to “low growth, low segregation of the poor.”

None of the 30 candidate areas (those with adequate AHS data) fell in the last category, but there were two to five in each of the other eight. We next selected one in each of those eight categories based on their scores on the other selected indicators and, as noted earlier, other things we knew about them (e.g., the availability of a sufficient number suburban PJs, and variations in policy conditions, aspects of governance, etc.). Finally, we had to eliminate two of the eight finalists to get down to the target of six. This was done with reference to all the available data, again seeking to maximize diversity in the final group selected.⁶

The selected metropolitan areas are: Atlanta, Boston, Cleveland, Minneapolis, San Antonio, and San Francisco. These sites are attractive in that they include representatives from all major regions of the country: only Minneapolis and Cleveland are from the same general region, but their characteristics are so different from each other that both definitely warrant inclusion. More important, is that these six exhibit surprising diversity with respect to the eight key indicators (Exhibit 3.2). In almost all cases they offer a spread in indicator values almost as broad as that for the full range of 30 candidate areas, and in no case are they all bunched at the high end, low end, or middle of the distribution. For all of these indicators except one (unemployment rate) there is at least one site in each tercile (high, intermediate, and low) and in no case are there more than three per tercile.

Atlanta represents the high-growth/high segregation of poverty category. It also falls in the high tercile with respect to minority share of total population (46 percent). Atlanta ranks in the lowest third, however, with respect to share of renters with worst case housing needs and unemployment rate. Participating Jurisdictions selected for study in the area include: the City

⁵The percent of renters with worst case housing needs was again excluded because data are not available for a large number of the areas.

⁶ The selection process is documented in full in our *Final Design and Data Collection Plan* (The Urban Institute, 2001).

Planning to Meet Local Housing Needs

of Atlanta, Dekalb County, Fulton County, and the Cobb County Consortium (which includes Cobb County, Cherokee County and the municipality of Marietta).

Exhibit 3.2
SCORES FOR KEY INDICATORS -- PROPOSED MSAs AND COMPARISONS

	Population growth, pct./yr., 1990-99	D-index, poor vs. nonpoor, 1990	Affordability ratio 1999	Pct. renters with worst case needs
Metropolitan Area Ranges				
100 largest MSAs High	5.5 Las Vegas	56 Milwaukee	1.12 New York	24 Los Angeles
Low	-0.5 Buffalo	22 Scranton	0.68 Youngstown	9 Washington
Candidate MSAs High	2.9 Atlanta	54 Hartford	1.08 San Francisco	22 Miami
Low	-0.4 Pittsburgh	29 Portland	0.69 Kansas City	9 Washington
Terciles and Scores - Proposed MSAs				
High	2.9 Atlanta 1.8 San Antonio	52 Cleveland 41 Atlanta 41 Minneapolis	1.08 San Francisco 0.96 Boston	18 Cleveland
Intermediate	1.3 Minneapolis 0.6 San Francisco	39 Boston 38 San Antonio	0.88 San Antonio 0.77 Atlanta 0.75 Cleveland	15 San Francisco 14 Boston
Low	0.2 Boston 0.0 Cleveland	33 San Francisco	0.70 Minneapolis	11 Atlanta 11 Minneapolis 11 San Antonio
	Unemployment rate, 1997	Pct. of population Minority, 1999	House price growth rate, 1995-2000	HUD-assisted pct. low-income rent. 96
Metropolitan Area Ranges				
100 largest MSAs High	13.1 Fresno	78 El Paso	12.4 San Jose	50 Providence
Low	2.3 Raleigh	3 Scranton	-3.3 Honolulu	8 Anaheim
Candidate MSAs High	7.3 Miami	73 Miami	12.4 San Jose	50 Providence
Low	3.1 Columbus	6 Pittsburgh	1.4 Rochester	9 Houston
Terciles and Scores - Proposed MSAs				
High		62 San Antonio 46 Atlanta 45 San Francisco	10.2 San Francisco 8.5 Boston 7.2 Minneapolis	32 Boston 27 Cleveland
Intermediate	5.2 Cleveland 4.3 San Antonio 4.0 San Francisco	23 Cleveland	6.5 Atlanta 4.9 Cleveland	25 Minneapolis 22 Atlanta
Low	3.8 Atlanta 3.7 Boston 3.1 Minneapolis	19 Minneapolis 16 Boston	3.2 San Antonio	15 San Antonio 9 San Francisco

Note: see text for variable definitions and sources

Boston represents the low growth/intermediate segregation of poverty category. It falls in the highest tercile with respect to renter affordability problems, house-price growth rate, and the share receiving HUD assistance. It is in the lowest third with respect to minority share of total population and unemployment rate. Participating Jurisdictions selected for study in the area include: the Cities of Boston and Cambridge, the Newton Consortium (which includes the municipalities of Brookline, Newton, Waltham, and Watertown), and the Quincy Consortium (which includes the municipalities of Quincy and Weymouth).

Cleveland represents the low growth/high segregation of poverty group (most typifying the stereotype of troubled rustbelt cities). It is the highest of the six with respect to worst case housing needs but also in the high group with respect to share receiving HUD assistance. It falls in the intermediate category on all other indicators. Participating Jurisdictions selected for study include: the City of Cleveland, the Cuyahoga County Consortium (unincorporated areas in Cuyahoga County outside of Cleveland and the municipalities of Cleveland Heights, Euclid, Lakewood, and Parma), and the municipality of East Cleveland.

Minneapolis is in the intermediate category with respect to growth but high with respect to segregation of the poor (41). It is clearly a mid-west city of a different mold, not only because of more rapid growth, but also because it ranks in the bottom third with respect to unemployment, worst case housing needs and renter affordability problems. It is also in the highest third with respect to house-price appreciation. Participating Jurisdictions selected for study include: the Cities of Minneapolis and St. Paul, the Hennepin County Consortium (which includes Hennepin County and the municipalities of Bloomington and Plymouth), and the Dakota County Consortium (which includes Anoka County, Dakota County, Ramsey County, Washington County, Denmark Township, and St. Mary's Point City).

San Antonio represents metro areas with high growth and intermediate segregation of the poor. It has the highest minority share of total population (62 percent) and ranks in the lowest third with respect to house-price appreciation. As to housing circumstances, it is the opposite of Cleveland: lowest tercile with respect to worst case housing needs but also lowest with respect to share receiving HUD assistance. Participating Jurisdictions selected for study include: the City of San Antonio and Bexar County.

San Francisco has the lowest D-index for poverty segregation (33) and falls in the intermediate category with respect to growth. It is in the highest category with respect to minority share of population and both renter affordability problems and house-price appreciation. It also stands out because it has by far the smallest share of low-income renters receiving HUD assistance (9 percent). Participating Jurisdictions selected for study include: the City and County of San Francisco, Marin County, the San Mateo County Consortium (which

includes San Mateo County and the municipalities of South San Francisco and Daly City), and the municipality of San Mateo.

A Closer Look at Housing Conditions in the Study Sites

The remainder of the chapter summarizes additional information on housing conditions, needs, and trends in the six sites, contrasting conditions within these areas (central cities vs. suburbs) as well as between them. We look first at 1990-2000 housing stock growth rates and several demographic indicators derived from census data. Second, we examine trends in housing affordability and physical conditions using data from the American Housing Survey.

Basic Demographic and Housing Indicators. The nature of the ConPlan process in any metropolis is clearly influenced by the size and complexity of governmental structures in the area. The sites we selected are all among America's largest metropolitan areas, ranging in population size in 2000 from 1.6 million (San Antonio) to 6.1 million (Boston)⁷(see Exhibit 3.3). In only one site does the central city truly dominate its metropolitan area: San Antonio, which accounts for 71 percent of the total metropolitan population. Next in this regard is San Francisco (45 percent), but in all other areas, central cities represent a much smaller share: 23 percent in Minneapolis, 21 percent in Cleveland, 10 percent in Boston, and only 9 percent in Atlanta.

As discussed earlier, the minority share⁸ of total population varies markedly between these areas; ranging in 2000 from 15 percent in Minneapolis to 60 percent in San Antonio. More noteworthy, however, is that the minority share is increasing substantially everywhere. The central cities all have much higher minority shares than their suburbs, but what is new over the past decade is that the suburbs are starting to catch up in this regard. For example, from 1990 to 2000, the minority share grew from 4 to 9 percent in the suburbs of Minneapolis, from 11 to 14 percent in the suburbs of Cleveland, and from 23 to 37 percent in the suburbs of Atlanta.

Exhibit 3.3 also provides data on the growth in the number of households from 1990 to 2000. Differences between the sites on this measure are similar to those based on population discussed earlier: Atlanta and San Antonio are in the high growth category (more than 20

⁷Because of the complexity of metropolitan area definitions in New England, we were unable to present information for the Boston PMSA. The Boston data on Exhibit 3.3 refer to the entire CMSA.

⁸As before, defined to include everyone except non-Hispanic whites.

percent growth over the decade), Minneapolis is in an intermediate position (18 percent), and Boston, San Francisco, and Cleveland all grew much more slowly (10 percent or less).

The household growth measures also confirm for these areas what other recent analysis of the 2000 census has shown to be the case nationally: central cities generally did better in the 1990s than they had in the 1980s. San Antonio and St. Paul were the only cities in our sites where growth in the latter decade was lower than in the former (at 19 percent San Antonio's growth rate was still very high, however). Boston's rate stayed the same (5 percent). However, San Francisco's growth rate went up, Minneapolis and Atlanta moved from a loss to a positive rate of growth, and Cleveland still suffered a decline in the 1990s, but a smaller one than in the 1980s.

Planning to Meet Local Housing Needs

Exhibit 3.3

CHARACTERISTICS OF PARTICIPATING JURISDICTIONS AND METRO AREAS -- CENSUS DATA

	Popula- tion(000) 2000	Pct. of Metro. Pop.	Minority Percent of Population		Occupied Units(000) 2000	Percent Growth in Occupied Units		Percent of Units Owner-Occupied	
			1990	2000		1980-90	1990-00	1990	2000
Atlanta MSA Total	4,112	100	29	40	1,505	40	36	63	66
<i>Atlanta City</i>	379	9	72	70	168	(4)	20	43	44
<i>Rest of Metropolitan Area</i>	3,734	91	23	37	1,337	50	39	66	69
DeKalb County	666	16	48	67	249	21	19	58	58
Fulton County	437	11	31	41	153	48	31	58	61
Cobb Co. Consortium	750	18	12	27	277	64	37	67	71
Remainder	1,881	46	15	29	657	62	51	71	75
Boston MSA Total	6,058	100	11	16	2,313	12	10	59	62
<i>Boston City</i>	589	10	41	50	240	5	5	31	32
<i>Rest of Metropolitan Area</i>	5,469	90	8	13	2,074	13	10	63	65
Cleveland MSA Total	2,251	100	21	24	893	3	6	66	68
<i>Cleveland City</i>	475	21	52	61	191	(9)	(4)	48	49
<i>Rest of Metropolitan Area</i>	1,776	79	11	14	702	7	9	72	74
Cuyahoga County	919	41	15	20	381	5	4	70	70
Remainder	857	38	7	9	321	9	14	75	78
Minneapolis-St. Paul MSA Tot:	2,969	100	8	15	1,137	22	18	69	72
<i>Minneapolis City</i>	380	13	22	37	162	(1)	2	50	51
<i>St. Paul City</i>	287	10	19	35	112	4	2	54	55
<i>Rest of Metropolitan Area</i>	2,301	78	4	9	862	33	25	76	79
Hennepin County	736	25	5	12	294	27	13	72	74
Dakota Co. Consortium	1,079	36	4	8	398	38	28	77	80
Remainder	486	16	2	4	170	30	41	80	83
San Antonio MSA Total	1,592	100	55	60	560	29	22	60	63
<i>San Antonio City</i>	1,139	71	63	69	405	24	19	56	58
<i>Rest of Metropolitan Area</i>	454	29	32	39	154	49	32	71	77
Bexar County	254	16	32	42	83	53	23	69	76
Remainder	199	13	32	34	71	45	44	74	78
San Francisco MSA Total	1,731	100	42	48	684	5	7	48	49
<i>San Francisco City</i>	777	45	53	56	330	2	8	35	35
<i>Rest of Metropolitan Area</i>	954	55	33	42	355	7	5	61	62
San Mateo County	707	41	39	49	254	7	5	60	61
Marin County	247	14	15	21	101	7	6	62	64

Source: U.S. Census, various years

Even so, household growth in the suburbs outpaced that in the central cities in all of our sites except San Francisco (city growth of 8 percent compared to suburban growth of 5 percent). In San Antonio, the suburban growth rate (32 percent) was 50 percent greater than that for the city (19 percent). In Atlanta and Boston the suburban rate was around twice the city rate. The biggest difference was between the 2 percent rate in Minneapolis and St. Paul, compared with the 25 percent rate for their suburbs.

Exhibit 3.3 also shows that all six of our sites experienced the increase in homeownership rates that occurred nationally in the 1990s. Owner-occupied housing as a percent of all occupied units went up in every individual jurisdiction on the table except three, and in those it remained constant (San Francisco, DeKalb County, and Cuyahoga County). There remained sizeable differences in homeownership rates across these jurisdictions, however. In all cases, these rates were higher in suburbs than central cities, where rental housing often predominates. Homeowners are in the minority in four of our central cities: Boston (32 percent), San Francisco (35 percent), Atlanta (44 percent), and Cleveland (49 percent). Owners account for more than half of central city households in Minneapolis-St. Paul (51-55 percent) and San Antonio (58 percent). Across the suburban jurisdictions, homeownership rates range from 61 percent (San Mateo County in California) to 80 percent (Dakota County Consortium area in Minneapolis).

Household Types and Income Levels. Exhibit 3.4 compares jurisdictions as to the size of groups often most in need of housing assistance, using data from the American Housing Survey (AHS).⁹ Overall, differences between sites in these proportions are not dramatic, but many are noteworthy and should have some influence over local strategic planning. Across metropolitan areas, elderly-headed households as a percent of all households vary from 14 percent (Atlanta) to 25 percent (Cleveland). The highest elderly shares are in suburban Cuyahoga County Ohio (27 percent) and Quincy Massachusetts (29 percent). Annual changes in these shares are fairly small, declining slightly on average in metropolitan Boston, Minneapolis, and San Francisco, holding constant in Atlanta, and gaining modestly in Cleveland and San Antonio. This group is, of course, likely to grow much more noticeably over the coming decade as the baby-boom generation enters the retirement years.

The importance of large households (5 persons or more) exhibits a different pattern. The highest share in this category by far is the 15 percent in San Antonio, where Hispanic

⁹ Annual change in percent data on this Exhibit (and also Exhibits 3.5 and 3.6) measure change over periods during the 1990s that are different for different study sites. Point in time data are given for the last year in each of those periods. The periods are: 1991-1996 for Atlanta; 1989-1998 for Boston, Minneapolis, and San Francisco; 1988-1996 for Cleveland; and 1990-1995 for San Antonio.

households predominate. All other metropolitan areas average in the 9-10 percent range. Continuing a long-term trend, shares of households in these categories seem to be declining in most places (most pronounced in the City of San Antonio, DeKalb County Georgia, and Newton Massachusetts, all with declines in the range of 0.7-0.8 percent per year).

The two Income groups shown on this table are defined consistent with HUD guidelines as “extremely low-income” (ELI - income below 30 percent of the metropolitan median income) and “very-low income” (VLI - below 50 percent of median). Looking at metropolitan averages, the VLI group is largest in Boston, Cleveland, and San Francisco (32-33 percent)—the smallest share is 25 percent in San Antonio. The range within metropolitan areas is greater, however. VLI shares are considerably higher in central cities than in suburbs; for example, above 50-55 percent in Atlanta, Boston, and Cleveland (San Antonio is lowest again at 27 percent). Among metropolitan-wide suburban averages, the highest is 29 percent (Boston) and the lowest is 9 percent (Atlanta).

As with the other household types discussed above, the shares in these low-income categories were not changing very rapidly in the 1990s. In general, the shares of all households in these groups were increasing slightly in the mid-1990s. The largest share increases for the VLI group were +2.2 percent per year in Newton Massachusetts, +1.8 percent in the City of St. Paul, and +1.6 percent in Dekalb County Georgia. Yet, there were exceptions. The ELI group shares were decreasing throughout metropolitan Atlanta and most of metropolitan Cleveland as well as in the San Antonio suburbs and the City of San Francisco. VLI group decreases also occurred in metropolitan Cleveland, the Cities of Boston and San Francisco, and the San Antonio suburbs.

Availability of Affordable Rental Housing. One of the most critical issues ConPlans must address is whether there is sufficient housing available in the jurisdiction being offered at rents lower-income groups can afford to pay. A typically used method for measuring the extent of deficits in this regard is to count, for example, the number of housing units renting for what a VLI household could pay spending 30 percent of its income for rent, and then comparing that number to the number of local households in the VLI category.

Planning to Meet Local Housing Needs

Exhibit 3.4
HOUSEHOLD TYPES AND INCOME LEVELS

	Household Types				Household Income (Pct. Of Median)			
	Pct. of Total		Chg. In Pct./Year		Pct. of Total		Chg. In Pct./Year	
	Elderly	Large	Elderly	Large	< 30%	<50%	< 30%	<50%
Atlanta MSA Total	14	9	0.0	(0.1)	17	28	(0.5)	0.5
<i>Atlanta City</i>	21	8	(0.3)	(0.4)	40	53	(1.8)	0.3
<i>Rest of Metro. Area</i>	5	4	0.1	(0.0)	5	9	(0.1)	0.3
DeKalb County	12	12	0.5	(0.7)	14	24	(0.3)	1.6
Fulton County	14	9	0.2	0.1	12	23	(0.1)	0.9
Cobb Co. Consortium	13	8	(0.5)	(0.1)	10	20	(0.4)	0.4
Remainder	5	4	(0.1)	0.1	5	9	(0.0)	0.2
Boston MSA Total	22	10	(0.1)	(0.3)	19	32	0.7	0.5
<i>Boston City</i>	23	7	(1.2)	0.1	32	51	0.3	(0.4)
<i>Rest of Metro. Area</i>	22	10	0.2	(0.3)	17	29	0.7	0.5
Cambridge	20	4	(0.5)	0.5	21	49	1.1	(1.1)
Newton	24	9	(0.2)	(0.8)	10	21	1.8	2.2
Quincy	29	8	(0.6)	0.2	19	36	0.5	(0.8)
Remainder	21	11	0.3	(0.3)	17	28	0.5	0.5
Cleveland MSA Total	25	9	0.2	-	18	32	(0.1)	(0.5)
<i>Cleveland City</i>	24	9	(0.6)	(0.1)	33	54	0.3	(0.9)
<i>Rest of Metro. Area</i>	25	9	0.4	0.0	13	24	(0.1)	(0.1)
Cuyahoga County	27	8	0.3	0.3	13	24	(0.1)	(0.3)
Remainder	20	11	0.8	(0.5)	12	23	(0.0)	0.3
Minneapolis-St. Paul MSA 1	19	9	(0.1)	0.4	15	27	0.5	1.2
<i>Minneapolis City</i>	23	6	(1.1)	0.2	31	49	(0.1)	0.7
<i>St. Paul City</i>	20	9	(0.3)	(0.1)	23	40	1.4	1.8
<i>Rest of Metro. Area</i>	17	10	0.1	0.4	10	21	0.6	1.3
Hennepin County	21	9	(0.4)	0.3	10	20	0.6	1.2
Dakota Co. Consortium	15	10	0.4	0.5	10	20	0.6	1.2
Remainder	17	13	0.4	0.3	13	24	0.7	1.3
San Antonio MSA Total	19	15	0.2	(0.2)	14	25	(0.9)	(1.1)
<i>San Antonio City</i>	19	15	(0.0)	(0.8)	15	27	0.0	0.2
<i>Rest of Metro. Area</i>	18	15	0.3	(0.2)	13	24	(0.9)	(1.1)
San Francisco MSA Total	21	9	(0.3)	(0.3)	19	33	0.6	-
<i>San Francisco City</i>	22	9	(0.7)	(0.4)	25	41	(0.1)	(0.7)
<i>Rest of Metro. Area</i>	21	10	0.1	(0.2)	13	26	0.6	0.2
San Mateo County	20	12	0.1	0.3	13	26	0.5	0.0
Marin County	23	4	0.1	0.0	12	24	1.0	0.6

Source: American Housing Survey for each metropolitan area. Various years.

Exhibit 3.5 presents calculations done in this way for jurisdictions in our six metropolitan areas (using AHS data for the 1990s as defined in the preceding section). Data are provided for low-income households (LI below 80 percent of the metropolitan median income) as well as for ELI, and VLI groups as previously defined. The first three entries for metropolitan Atlanta, for example, indicate that 15 percent of all rental units in that metropolis were affordable to ELI households, 45 percent were affordable to VLI households, and 94 percent were affordable to LI households. Across metropolitan areas, the share affordable to VLI groups, is highest in Cleveland and Minneapolis (53-54 percent), and lowest for San Francisco (27 percent), with Boston, San Antonio, and Atlanta falling in between (39-45 percent).

What counts, however, is not the absolute share available, but how that share relates to the share of all households in each group. Those relationships are shown in the next three columns. The figure in the middle column for Atlanta, for example, is 1.4. This means that there are 1.4 times as many VLI households in the metropolis as there are units affordable to them according to the approach defined above. Looking at the VLI column, the worst affordability squeezes are evidenced in San Francisco (2.2) and Boston (1.9). All of the other metropolitan averages are lower (1.4 to 1.7 range) but even here the number of VLI households substantially exceeds the number of units affordable to them.

It is clear from the first three columns that the bulk of the affordable housing in each metropolis is to be found in its central city. For example, 68 percent of the rental units in the City of Atlanta are affordable to VLI households vs. only 37 percent in the suburbs; 79 percent of Cleveland city rental units are VLI affordable vs. 35 percent in its suburbs. Similarly, the ratios of the numbers of households in the lower income groups to the numbers of units affordable to those groups (middle three columns) indicate that affordability pressures are generally lower in the central cities. Using the same examples, the VLI ratio for the City of Atlanta is 1.1 (vs. 1.6 in its suburbs) and the VLI ratio for the City of Cleveland is 1.1 (vs. 2.2 in its suburbs).¹⁰

¹⁰ It is important to point out that the affordability ratios actually understate the severity of the affordability problem. This is because sizeable numbers of higher-income households successfully find bargains and occupy some of the units offered at rents affordable to lower-income groups. Thus, not all of the units that are affordable by these calculations are actually “available” to the families that most need them.

Planning to Meet Local Housing Needs

Exhibit 3.5
RENTAL HOUSING AFFORDABLE TO DIFFERENT INCOME GROUPS

	Pct. Units Affordable to			Ratio Households to Units			Change in Pct./Year		
	< 30%	< 50%	< 80%	< 30%	< 50%	< 80%	< 30%	< 50%	< 80%
Atlanta MSA Total	15	45	94	2.6	1.4	1.2	(0.3)	(1.3)	(0.5)
<i>Atlanta City</i>	33	68	94	1.8	1.1	1.1	(0.5)	(1.9)	(1.0)
<i>Rest of Metro. Area</i>	10	37	94	3.5	1.6	1.3	(0.1)	(0.9)	(0.4)
DeKalb County	5	34	93	5.0	1.4	1.0	(0.1)	(1.9)	(0.1)
Fulton County	7	32	91	3.6	1.5	1.1	(0.4)	(1.8)	(1.6)
Cobb Co. Consortium	5	29	92	5.0	1.6	1.0	(0.0)	(0.8)	(0.0)
Remainder	17	48	97	2.8	1.8	1.7	(0.3)	(0.4)	(0.2)
Boston MSA Total	20	40	86	2.2	1.9	1.4	(0.4)	(0.7)	(1.6)
<i>Boston City</i>	27	47	86	1.6	1.4	1.1	(1.1)	(1.5)	(2.7)
<i>Rest of Metro. Area</i>	17	37	85	2.5	2.1	1.5	(0.2)	(0.5)	(1.2)
Cambridge	14	31	83	2.0	2.2	1.2	(1.2)	(1.4)	(1.1)
Newton	8	16	60	3.4	3.5	1.7	0.9	1.5	1.0
Quincy	18	27	97	2.6	3.5	1.4	(0.8)	1.5	(1.9)
Remainder	18	40	87	2.5	2.0	1.5	(0.0)	(0.5)	(1.1)
Cleveland MSA Total	21	54	94	2.2	1.5	1.4	(0.3)	(0.4)	(0.3)
<i>Cleveland City</i>	30	79	97	1.9	1.1	1.3	0.6	(0.5)	(0.0)
<i>Rest of Metro. Area</i>	15	35	92	2.7	2.2	1.6	(0.8)	0.0	(0.4)
Cuyahoga County	13	32	91	2.9	2.2	1.5	(1.0)	(0.5)	(0.7)
Remainder	20	44	96	7.9	1.1	0.7	0.1	2.9	3.6
Minneapolis-St. Paul MSA To	15	53	96	3.2	1.7	1.6	0.7	1.6	(0.7)
<i>Minneapolis City</i>	23	66	98	2.6	1.4	1.3	(0.4)	0.3	(1.4)
<i>St. Paul City</i>	17	63	97	0.8	1.1	1.2	2.3	2.5	(0.1)
<i>Rest of Metro. Area</i>	11	43	95	3.6	1.8	1.8	0.0	(0.4)	(4.7)
Hennepin County	8	34	93	4.3	2.2	1.6	(0.1)	1.4	(0.8)
Dakota Co. Consortium	11	46	96	4.1	1.9	1.9	0.2	1.8	(0.5)
Remainder	18	70	97	4.1	2.0	2.9	3.8	2.4	(0.5)
San Antonio MSA Total	15	39	97	2.0	1.4	1.0	0.8	(2.6)	(5.0)
<i>San Antonio City</i>	15	40	99	2.3	1.5	1.0	(0.2)	(2.0)	(4.9)
<i>Rest of Metro. Area</i>	14	39	97	2.2	1.4	1.0	(0.8)	(2.5)	(5.0)
San Francisco MSA Total	12	27	73	2.9	2.2	1.3	0.3	0.9	(0.5)
<i>San Francisco City</i>	14	34	76	2.5	1.7	1.1	0.5	0.8	(0.7)
<i>Rest of Metro. Area</i>	8	16	68	3.9	4.0	1.5	0.1	1.2	(0.1)
San Mateo County	7	14	67	4.1	1.1	1.2	0.3	1.6	0.4
Marin County	13	21	70	2.4	3.1	1.6	(0.4)	0.2	(1.6)

Source: American Housing Survey for each metropolitan area. Various years.

The affordability ratios are extremely high for some suburban jurisdictions on this table. It is difficult to say that these PJs necessarily represent the “most serious affordability problems” in their metropolitan areas, since the numbers of families and units involved may be quite small. These numbers do indicate a serious problem overall, however, in all six of these metropolitan areas. Namely, that most lower-income households are virtually forced to remain in central cities because of being priced out of rental opportunities in the suburbs.

What about the directions of change? The last three columns on the table show that the share of rental units affordable to the most needy was declining in most of these areas in the 1990s. For example, the share affordable to VLI groups dropped by 2.6 percentage points per year in metropolitan San Antonio, by 1.3 points in Atlanta, by 0.7 points in Boston, and by 0.4 points in Cleveland. Interestingly, the only increases in the VLI affordable share occurred in two of the tightest markets: San Francisco (+0.9 points per year) and Minneapolis (+1.6 points annually).

Housing Hardship Among Extremely Low-Income Households. The rental housing affordability ratios presented above provide one indicator of a housing problem. To understand housing hardship more broadly, however, we examine the share of extremely low-income households paying more than 30 percent of their income for rent, living in overcrowded units, or living in physically deficient units. Data on these topics for the six sites, again from the AHS, are provided in Exhibit 3.6.

These data confirm for these sites what is probably the most common characterization of U.S. housing problems since 1980; namely, that the incidences of overcrowding and physical deficiencies are quite small in relation to the share of households paying excessive rent (more than 30 percent of their income—first column). The share of extremely low-income renters that are overcrowded generally falls below 5 percent (except in the cities of Atlanta and San Francisco). The share with physical deficiencies¹¹ is higher; ranging from about 6 percent in Boston to 35 percent in San Antonio. But the share with excess rent burdens is substantially higher in all six metro areas, ranging from 67 percent (Cleveland) to 77 percent (San Antonio).

Exhibit 3.6 also shows, as would be expected, that the incidence of all housing problems is generally higher in the central cities of these areas than in their suburbs. This is true for physical deficiencies for all but Minneapolis-St. Paul and it is true for overcrowding for all except Minneapolis-St. Paul and San Antonio. With respect to excessive rent burdens, however, there are virtually no differences between city and suburban rates in Cleveland, San Antonio, and San

¹¹ This share includes both serious and moderate physical deficiencies as defined by AHS assessment methods.

Planning to Meet Local Housing Needs

Francisco, and in the other sites, the differences are not as pronounced as they are for the other problem categories.

Exhibit 3.6
HOUSING PROBLEMS AMONG EXTREMELY LOW-INCOME HOUSEHOLDS

	% of Extremely Low-Income Households				Annual Change in Percent			
	Excess	Physical	One or		Excess	Physical	One or	
	Cost	Overcrowded	Deficiency	more	Cost	Overcrowded	Deficiency	more
Atlanta MSA Total	68.04%	3.48%	11.51%	73.35%	1.57%	-0.29%	-0.12%	1.02%
<i>Atlanta City</i>	65.49%	7.66%	15.49%	73.00%	2.57%	-0.51%	-0.05%	1.63%
<i>Rest of Metro. Area</i>	69.41%	1.23%	9.38%	73.54%	1.13%	-0.06%	0.00%	0.79%
DeKalb County	81.49%	0.00%	7.33%	83.12%	0.91%	0.54%	0.18%	1.12%
Fulton County	77.98%	0.00%	17.60%	79.47%	1.53%	0.35%	-2.13%	1.23%
Cobb Co. Consortium	62.14%	2.07%	4.92%	66.55%	2.91%	-0.05%	0.18%	2.44%
Remainder	64.38%	1.80%	9.40%	70.15%	0.88%	-0.36%	0.33%	0.33%
Boston MSA Total	71.30%	1.35%	4.49%	72.93%	3.03%	0.35%	0.11%	2.92%
<i>Boston City</i>	66.69%	2.64%	6.46%	69.83%	3.42%	-0.14%	0.74%	3.32%
<i>Rest of Metro. Area</i>	72.77%	0.94%	3.87%	73.92%	2.93%	0.52%	-0.15%	2.81%
Cambridge	68.91%	5.08%	2.61%	74.19%	3.55%	-0.18%	-0.52%	2.93%
Newton	69.23%	0.00%	3.83%	69.23%	5.36%	0.43%	-0.08%	5.36%
Quincy	71.46%	0.00%	2.28%	71.46%	2.17%	0.41%	0.75%	2.17%
Remainder	77.04%	0.76%	4.11%	74.34%	3.45%	0.62%	-0.20%	2.65%
Cleveland MSA Total	66.76%	4.08%	8.21%	70.08%	0.74%	0.36%	-0.23%	0.70%
<i>Cleveland City</i>	67.56%	3.82%	12.99%	71.10%	0.37%	0.95%	-0.41%	0.61%
<i>Rest of Metro. Area</i>	65.96%	4.33%	3.47%	69.07%	1.38%	-0.24%	0.01%	1.00%
Cuyahoga County	68.93%	2.24%	1.26%	69.59%	0.71%	0.32%	0.42%	0.74%
Remainder	58.47%	9.62%	9.05%	67.78%	2.76%	-1.79%	-1.31%	1.21%
Minneapolis-St. Paul MSA Total	69.78%	1.40%	5.87%	71.79%	0.57%	0.24%	0.57%	0.56%
<i>Minneapolis City</i>	70.23%	0.70%	10.22%	73.81%	1.17%	0.97%	0.81%	1.23%
<i>St. Paul City</i>	71.45%	1.20%	7.28%	74.68%	-0.48%	0.48%	0.29%	-0.63%
<i>Rest of Metro. Area</i>	68.94%	1.90%	2.68%	69.56%	0.65%	-0.18%	0.72%	0.72%
Hennepin County	71.98%	0.64%	3.16%	73.15%	0.18%	-0.13%	0.46%	0.11%
Dakota Co. Consortium	67.54%	0.83%	2.93%	67.54%	1.59%	0.16%	0.58%	1.79%
Remainder	66.67%	7.04%	1.11%	67.78%	-0.40%	-1.20%	1.42%	-0.39%
San Antonio MSA Total	76.86%	1.63%	22.48%	84.62%				
<i>San Antonio City</i>	74.30%	0.85%	34.59%	80.92%				
San Francisco MSA Total	73.17%	8.93%	15.05%	78.51%	1.50%	0.02%	0.29%	1.58%
<i>San Francisco City</i>	70.94%	12.71%	17.99%	78.36%	1.26%	0.24%	0.29%	1.52%
<i>Rest of Metro. Area</i>	77.00%	2.42%	10.00%	78.76%	1.75%	-0.12%	0.45%	1.66%
San Mateo County	76.72%	2.19%	10.10%	77.87%	2.21%	-0.09%	0.42%	2.17%
Marin County	77.81%	3.08%	9.74%	81.30%	0.58%	-0.21%	0.52%	0.31%

These data also show a mixed pattern of change in these incidences during the 1990s. For the metropolitan areas as a whole, the share of extremely low-income renters with any of the three housing problems were increasing slightly in Boston, Minneapolis-St. Paul, and San Francisco. However, the share living in physically deficient housing declined in the Atlanta and

Cleveland regions, and the share living in overcrowded housing also declined in metro Atlanta. The share of extremely low-income households paying excess cost burdens rose almost everywhere, with particularly steep increases occurring in the cities of Atlanta and Boston, and in the other jurisdictions of the Boston metro area.

Housing Indicators and the ConPlan Process. The indicators of housing conditions and needs discussed in this chapter (and summarized in Exhibit 3.7) reflect the significant market variations across U.S. metropolitan areas as well as the major housing problems facing poor households throughout most of the country. HUD’s ConPlan process is intended to provide local jurisdictions with sufficient flexibility to tailor their strategies to prevailing market conditions and to target resources to the highest priority problems. Thus, one would expect to see significant differences across our study sites in priorities and strategies, given the marked differences in market conditions and trends. But one would also expect to see consistent attention to some of the housing problems that are common across sites, including the high incidence of housing hardship among the poorest households, the predominance of affordability problems, and the shortage of affordable rental housing, particularly in suburban jurisdictions.

Exhibit 3.7
SUMMARY OF HOUSING CONDITIONS IN CITIES AND SUBURBS

Jurisdiction	Households	EL Income Housing Problems	VL Income Rental Housing Ratio
Atlanta City	21% elderly; 8% large; 53% vl income	66% cost; 8% crowding; 15% deficient	1.1 households per affordable unit
Dekalb Cnty	12% elderly, 12% large; 9% vl income	81% cost; 0% crowding; 7% deficient	1.4
Fulton Cnty	14% elderly, 9% large; 24% vl income	78% cost; 0% crowding; 18% deficient	1.5
Cobb Cons	13% elderly, 8% large; 20% vl income	62% cost; 2% crowding; 5% deficient	1.6
Boston City	23% elderly; 7% large; 51% vl income	67% cost; 3% crowding; 6% deficient	1.4 households per affordable unit
Cambridge	20% elderly; 4% large; 49% vl income	69% cost; 5% crowding; 3% deficient	2.2
Newton	24% elderly; 9% large; 21% vl income	69% cost; 0% crowding; 4% deficient	3.5
Quincy	29% elderly; 8% large; 36% vl income	71% cost; 0% crowding; 2% deficient	3.5
Cleveland City	24% elderly; 9% large; 54% vl income	68% cost; 4% crowding; 13% deficient	1.1 households per affordable unit
Cuyahoga	27% elderly; 8% large; 24% vl income	69% cost; 2% crowding; 1% deficient	2.2
Minneapolis	23% elderly; 6% large; 49% vl income	70% cost; 1% crowding; 10% deficient	1.4 households per affordable unit
St. Paul	20% elderly; 9% large; 40% vl income	71% cost; 1% crowding; 7% deficient	1.1
Hennepin	21% elderly; 9% large; 20% vl income	72% cost; 1% crowding; 3% deficient	2.2
Dakota Cons	15% elderly; 10% large; 20% vl inc	68% cost; 1% crowding; 3% deficient	1.9
San Antonio	19% elderly; 15% large; 27% vl inc	74% cost; 1% crowding; 35% deficient	1.5 households per affordable unit
San Fran	22% elderly; 9% large; 41% vl income	71% cost; 13% crowding; 18% defic	1.7 households per affordable unit
San Mateo	20% elderly; 12% large; 26% vl inc	77% cost; 2% crowding; 10% deficient	1.1
Marin Cnty	23% elderly; 4% large; 24% vl income	78% cost; 3% crowding; 10% deficient	3.1

The next two chapters of this report examine the ConPlans in our study sites. Chapter 4 focuses first on variations in local planning *processes*. Chapter 5 then discusses the outcomes of this process, including the alignment of local market and needs assessments with the data presented here and the relationship between local needs and official strategies.

4. LOCAL IMPLEMENTATION OF HUD'S PLANNING REQUIREMENTS

The jurisdictions we visited differ significantly from one another, not only in terms of housing market conditions and needs, but also in how they have implemented HUD's Consolidated Planning requirements. Jurisdictions have adopted a range of approaches for assessing local needs, establishing priorities and strategies, obtaining input from citizens, community leaders, and housing practitioners, and communicating and coordinating activities across agencies. This chapter describes the diversity of approaches jurisdictions have taken in each of these areas, discusses challenges they have encountered, and identifies barriers that make it difficult to fully achieve HUD's core goals for the ConPlan process.

Assessing Local Housing Needs

HUD requires each local jurisdiction to combine data from the decennial census with locally available data on homeless people and people with special housing needs to measure the extent of housing needs in the community. The needs assessment includes: tables ranking needs and priorities by income category, a demographic narrative including a disproportionate needs analysis designed to identify whether certain populations had a higher incidence of need than others, and an analysis of lead-based paint, non-homeless, homeless, and special population needs. This needs assessment is designed to capture estimates of the total number of homeless individuals and families compared to the number of available shelter beds or transitional units available; the number of households with special needs, such as the frail elderly, the disabled, and people with HIV/AIDS; and the number of owner and renter households at various income levels who have housing problems, including households paying unaffordable rent burdens, households living in physically deficient housing, and households who are overcrowded.¹ In 1993, HUD provided jurisdictions with special tabulations of 1990 census data that provide much of the required information about renter and owner households with housing needs, which jurisdictions used for their 1994 CHAS and subsequent ConPlan submissions.

All of the jurisdictions we studied exceeded HUD's basic requirements for conducting an assessment of local housing needs. At a minimum, they used data from local service providers to estimate the number of homeless people and to assess the housing needs of special populations. Because the needs of special populations are sometimes hard to establish, some

¹ The ConPlan also requires communities to estimate the level of need for community development activities. This study focuses primarily on the housing components of the ConPlan.

jurisdictions supplemented local data with estimates from national studies. For example, obtaining accurate counts of those suffering from drug addiction can be particularly challenging. Several jurisdictions applied national estimates of the incidence of addiction problems from the National Institute on Drug Abuse to local population data.

Some jurisdictions went well beyond the HUD requirements, developing a thorough analysis of information from various sources, describing key market characteristics and constraints, and identifying important factors contributing to housing needs. San Francisco, for example, provided an analysis of the cycle of drug addiction, mental illness, and homelessness, combining data from several sources to explain how this cycle affects housing needs. Boston used 1993 American Housing Survey (AHS) data to describe how the physical characteristics of the housing stock affected homeownership rates and to assess the occupancy status of cooperative units.

In general, central city jurisdictions were more likely to go beyond HUD's minimum requirements for conducting a housing needs assessment than were suburban jurisdictions. More data are available from national sources and academic studies to document housing conditions and special needs populations in cities; cities tend to have more service providers from which to obtain data on special needs populations; and city agencies generally have more staff and resources for conducting special purpose studies. Thus, ConPlans prepared by suburban counties were much more likely to simply report the minimum required data on housing needs, with little additional analysis.

By the second half of the 1990s, most jurisdictions felt seriously constrained by the 1990 census data. Although the special tabulations prepared by HUD provide more complete information on households, housing units, and housing problems than jurisdictions could otherwise obtain, this information was perceived to be increasingly unreliable and irrelevant by the end of the decade. This problem was exacerbated by the fact that many jurisdictions used trend data from 1980 – 1990, and applied these trends to the 1990 census estimates. By the mid-1990s, not only were the 1990 census estimates somewhat out of date, but, as discussed in chapter 3, the dynamics of many urban housing markets were proving to be quite different from those of the previous decade.

Although none of the jurisdictions we visited used AHS or other data to systematically update the census estimates, some tried to provide a more current assessment of housing conditions and needs by supplementing the 1990 census data with additional information from local sources. For example, Boston sampled newspaper advertisements to obtain a more current picture of rent levels, and presented results from a 1997 city survey to assess the incidence of abandoned housing. In preparing its 2000 plan, Cleveland decided that the census data were too old to be very useful. Moreover, because the city has an old housing stock and a

relatively weak market, officials concluded that the main problem was not affordability but physical condition, and that census data under-reported this problem. Therefore, Cleveland relied heavily on information from advocacy groups and service providers, rather than census data to document housing needs.

Other jurisdictions simply decided not to invest significant efforts into updating their needs assessments in the late 1990s, and essentially resubmitted the analysis they had prepared at the beginning the decade, when the census data were more meaningful. For example, St. Paul used census data very effectively in developing its 1992 and 1994 CHAS plans. But when the time came to prepare the 1995 plan officials felt that needs had not changed sufficiently to warrant much change in priorities, and that the census data were no longer reflective of community conditions. Therefore, they used the data and priorities from their 1992-94 CHAS in the 1995 ConPlan.

Developing Priorities and Strategy

Building on the analysis of housing needs, the ConPlan requires jurisdictions to set local priorities and articulate a strategy for addressing these priorities. More specifically, jurisdictions are expected to assign priority rankings (high, medium, low) to the various categories of needs quantified in the needs analysis. Then they are required to define their objectives for addressing these needs, describe how available resources will be used to accomplish these objectives, and establish measurable targets. To illustrate, a jurisdiction might rank the problem of homeless families with children as a “high” priority, and propose to expand the availability of transitional housing in order to address this need. It might then commit to use a portion of its HOME funds for grants or loans to finance the construction of transitional housing facilities, and establish a target number of units to be built annually for the next five years.

Policy and Politics. Establishing priorities and developing strategies require policy judgements; they generally cannot be based solely on technical information and analysis. In the jurisdictions we visited, the balance between technical analysis and political decision-making varied, with some plans based primarily on professional analysis, while others were developed through a much more political decision-making process.

In suburban jurisdictions, technical analysis tended to drive the housing strategy. Professional staff of the local housing agency were typically charged with responsibility for identifying needs and developing the housing strategy to address those needs. Once the plan was completed, it was presented to the required political authority (usually the county executive or county council), which officially approved it. In general, the political authority accepted the

analysis and recommendations of the professional staff.² This approach appears to be most common in jurisdictions that have little or no history of spending money on housing, where the number of non-profit service providers and advocacy organizations is limited, and where a more political process for debating and deciding the allocation of resources has not had time to develop.

Most central city jurisdictions, on the other hand, have a much longer history of investment in housing and community development, with formal or informal processes in place for reaching decisions about priorities and the allocation of resources. In Minneapolis, for example, the ConPlan was developed in conjunction with the city budget process. The mayor articulated a framework of housing and community development goals and priorities for the city and professional staff developed the ConPlan priorities and strategy within this framework. Technical analysis played an important part in this process, but within a context established by political decision-makers. The same is true in Cambridge, where housing and community development issues are discussed in public hearings conducted as part of the annual budget process and the city manager then establishes priorities for the ConPlan. Professional staff are then guided by these priorities when they define strategic activities and objectives.

San Francisco has developed a highly structured process for developing housing priorities and goals, involving a long-standing working group of housing advocates and practitioners along with professional agency staff, and managed by the Mayor's Office of Housing. This working group plays a central role in defining the city's housing priorities, and gives serious attention to the HUD-mandated needs analysis. Thus, the ConPlan process is the primary mechanism that the city's political leadership uses to arrive at its housing priorities and strategies.

From Strategy to Implementation. This study focuses primarily on the planning process. But to understand the effectiveness of this process, it is also important to consider how jurisdictions allocated funds to specific programs and projects. In particular, to what extent did their priorities and strategies actually influence funding allocations? Conceptually, these allocations can occur in two basic ways:

- ***Strategic allocation*** – local agencies use the priorities articulated in their plans to determine what categories of activities will be funded and at what levels, and then seek projects or activities (through specific Requests for Proposals, Notices of Funding Availability or other outreach methods) that directly address the strategic objective.

² Of course, even in this type of highly professionalized process, staff recommendations are probably shaped at least in part by their assumptions and expectations about what will be politically acceptable.

- ***Demand-response allocation*** – local jurisdictions establish broad priorities and strategies, but develop their annual spending plans based upon proposals received. The selection of projects and activities for funding is opportunistic – influenced by the volume of applications by residents for various forms of assistance, the capacity of the housing providers, and the opportunities that arise in the community. In other words, the demands from households and housing providers determine the spending plan, more so than strategic priorities.

San Francisco provides an excellent example of strategic allocation. The working group that develops priorities and strategy also approves the Requests for Proposals (RFPs) that the city issues to distribute available housing resources, and its members meet to decide how money from different sources will be combined to fund the development projects that are selected each year. Thus, the process of strategy development is fully integrated with the process for making implementation decisions, and the ConPlan process appears to be highly regarded locally as the framework for housing policy-making.

In contrast, Atlanta provides an example of demand-response allocation. In general, HOME and CDBG funds are allocated based on applications received from households and housing providers for eligible activities. In some cases, even though a jurisdiction attempts to allocate resources strategically, the response from households and housing providers may differ from the articulated priorities, significantly altering the ultimate use of available funding. In other words, even when there is good data and analysis, there can still be a “disconnect” between priorities and activities.

In some other jurisdictions, the ConPlan appears to be primarily an administrative exercise with little impact on actual allocation or implementation decisions. For example, in San Antonio, the city’s housing and community development agency is charged with the development of the ConPlan, and professional staff establish priorities and strategies linked to the needs analysis. However, the city council plays an active role in the actual allocation of block grant resources, with individual council members allocating funds to their districts based on priorities articulated by constituent organizations. It does not appear from our interviews that the priorities and strategies established in the ConPlan have any significant impact on the way resources are allocated or the housing activities that are pursued. Fulton County, Georgia provides another example of a jurisdiction in which implementation decisions were not guided by the priorities and strategies articulated in the ConPlan. The professional staff who prepared the plan expressed frustration that their strategy had little impact on implementation.

Comprehensive Strategy or Block Grant Spending Plan? In principle, the ConPlan is intended to present a jurisdiction’s overall strategy for addressing housing problems and needs, encompassing all of the federal, state, and local resources available. However, because

the ConPlan also serves as an application and reporting document for HUD's block grant programs, its specifics tend to focus on how jurisdictions are using funds available under CDBG, HOME, ESG, and HOPWA. The extent to which jurisdictions use the ConPlan as a more comprehensive planning document varies considerably. Some explicitly use the ConPlan as a tool for planning how a wide range of programs and resources should be used. Others clearly address only the federal block grant programs. But many ConPlans are quite ambiguous about the extent to which their priorities and strategies will be pursued with federal block grant resources or with other programs and resources as well.

San Francisco provides an example of a jurisdiction that has enthusiastically adopted the ConPlan as a mechanism for setting comprehensive housing priorities and allocating virtually all its federal, state, and local housing resources. As discussed earlier, both planning and implementation decisions are guided by a long-established working group that includes housing advocates and practitioners as well as representatives from all the relevant city agencies. Each year, this group reviews an analysis of all the resources available to the city for housing, including the federal block grant funds, state housing funds, and local funds. In effect, these resources are pooled to address the production needs outlined in the ConPlan, and as individual projects are approved for funding, various program dollars are mixed and matched.

None of the other jurisdictions in this study had so fully integrated the ConPlan process into a comprehensive process for allocating housing resources. Although their strategies refer to a variety of programs and resources, they focus primarily on the federal block grant programs. In Boston, the Consolidated Plan identifies strategies that are not targeted by block grant resources including improving the existing public housing stock, section 8, and preserving expiring use projects. The ConPlan however, does not identify specific strategies or recommendations to address these issues. In addition, both Atlanta and Boston have other ongoing housing planning processes that were not integrated into the ConPlan process. In Boston, the Mayor recently released a three-year housing strategy report and in Atlanta, there is a comprehensive planning process in place. These plans are not explicit about how the federal block grant activities fit into a larger housing strategy and it is not clear whether local decisions about the implementation of other programs and resources is actually guided by the ConPlan.

In general, suburban jurisdictions are the most likely to focus their ConPlans exclusively on the federal block grant resources, though in some jurisdictions the thinking went beyond these resources. In Marin County for example, federal block grant resources are the main and only thrust of the Consolidated Plan, but as required, the jurisdiction identified other resources and encouraged non-profit developers and service providers to access them. In particular, the jurisdiction works closely with the local foundation to ensure that needs not met by federal resources can be addressed through foundation funding. In Cambridge, the Consolidated Planning process facilitated the process of combining federal block grant resources with other

local, state and federal resources, including state HOME, LIHTC, the Affordable Housing Trust, and private funding.

Input from Citizens, Advocates, and Practitioners

The ConPlan is intended to open up the local planning and policy making process to citizens, practitioners, and advocates and to help make local housing agencies more accountable to the community. HUD requires jurisdictions to create two basic mechanisms for community input to ConPlan development. First, jurisdictions are required to consult with local non-profits, advocates, and service providers, who have first-hand knowledge about community needs and priorities and who may be funded to implement parts of the local housing strategy. Second, jurisdictions are required to obtain citizen input by making draft versions of the ConPlan available to the public and holding at least two public hearings where citizens voice their concerns. In addition to these requirements for community input to the ConPlan, HUD requires jurisdictions to publish a report annually on their activities and accomplishments, so that the community can hold local agencies accountable for implementing the strategy articulated in the ConPlan.

All the jurisdictions in this study met HUD's basic requirements for consultation and citizen input. Those that did not have pre-existing systems for soliciting community input simply implemented the ConPlan requirements. This was particularly true among suburban counties, which tended to be relatively new to locally administered housing investments, have limited staff capacity, and relatively few community-based organizations, advocates, or service providers. Several jurisdictions established committees that included city agencies, community organizations, advocacy groups, service providers, and sometimes, community members to assist in the development of the ConPlan. For example, Atlanta created a committee of academics, city agencies, and service providers to advise on the development of the needs analysis, priorities, and strategy. In most cases, these committees were pulled together only for the creation of the Consolidated Plan and were disbanded once the work was complete.

Other jurisdictions integrated the ConPlan requirements for consultation and citizen input into pre-existing mechanisms for soliciting community views or public participation. Most of the central cities we visited already had formal or informal systems in place to enable community organizations, advocates, service-providers, and practitioners to contribute to decisions about housing and community development spending. In many cases, these pre-existing systems satisfied some of the ConPlan requirements so that only modest changes were needed. For example, San Francisco's ConPlan working group, which actively involves a wide range of community representatives, non-profit housing developers, and service providers, evolved from the early days of the CDBG program, when community advocates wrested control away from

the local redevelopment agency. When the CHAS and ConPlan requirements were introduced by HUD, they were incorporated into this pre-existing system for community input.

In some cases, jurisdictions implemented the mandatory notices and hearings required by the ConPlan and ran this formal process in parallel to a pre-existing public participation process. In San Antonio, for example, community organizations and advocates influence the allocation of resources through their city council representatives, who (as discussed earlier) control housing and community development spending in their districts. Alongside this pre-existing process, the HUD-mandated hearings and consultations have been implemented by city staff. But most of the staff perceive this process as a formality.

Some jurisdictions found formal public hearings to be ineffective for obtaining meaningful input from citizens. Public hearings are problematic because they are not always responsive to citizen needs. It is often difficult to find times and locations that are accessible to busy people. Also, citizens who are engaged in their communities are often over-committed and thus have little time for additional meetings. For these reasons, many reported that public hearings were poorly attended or that advocacy groups attended at a higher rate than citizens. In these cases, staff held the required number of public hearings but supplemented them with resident and business surveys. For example, Daly City used a random mail survey of 2000 residents and also surveyed service providers to help identify needs and priorities.

The extent and effectiveness of community participation in the ConPlan process depends in large part on the capacity of community-based organizations and advocates. San Francisco's process represents the culmination of almost two decades of activism, political battles, and relationship-building.³ Today, people who began their careers fighting the local redevelopment agency for community control of CDBG resources staff that agency as well as the Mayor's Office of Housing and the Mayor's Office of Community Development. City officials and staff respect the community-based organizations both because of their long-standing working relationships and because of the ability of these organizations to mobilize voters.

In other jurisdictions, community-based organizations are less well organized and their access to public decision-makers is more limited and problematic. For example, Atlanta turned to its system of Neighborhood Planning Units (NPU) to obtain input from neighborhoods about the ConPlan. NPUs are made up of three to five neighborhoods each, and their representatives are supposed to speak for the needs of their respective communities. However, several respondents indicated that the NPUs do not actually reflect the views of Atlanta's

³ This process appears to have been kicked off by technical assistance from the Center for Community Change to community-based organizations seeking to gain access to decisions about CDBG spending.

neighborhoods, and are not supportive of affordable housing strategies, since their primary function is to address the state-mandated comprehensive planning requirements (which address all aspects of growth and development). In St. Paul, the relationship of the city with community organizations appears to be tense and adversarial. In 1995, when the city decided not to update its earlier needs analysis (because census data were so old), staff failed to discuss this decision in advance with community-based organizations. As a result, advocacy groups took the city to task around this issue, saying that the plan was not well prepared because it was suspiciously similar to the 1990 plan.

A very different system has evolved in Cleveland, where the city staff member charged with developing the ConPlan has a very good relationship with advocates and service providers. There is a sense in the community that he is someone who can be trusted and has their interests in mind. In the development of the plan, this individual contacts all of the advocacy groups and service providers with whom he generally works and gets their input. Often advocacy groups have the opportunity to read a draft of the plan in order to make comments. Those who do not have this opportunity or do not have the time to be as fully involved say that they trust him and that as long as he is involved they feel comfortable with the process.

Although all the jurisdictions satisfied HUD's minimum requirements, several found that the structure and complexity of the ConPlan made it difficult to communicate effectively with the public about housing needs, priorities, and strategies. Boston is exploring the idea of creating a more readable summary of the ConPlan, making it available on the web, and establishing mechanisms for citizens to provide comments via the internet. Boston staff also believe that the information presented to the public needs to be more neighborhood-based, so that citizens and community groups can focus on the needs and strategies for their own neighborhoods.

HUD's existing requirements for reporting on activities and accomplishments is particularly difficult for the public to understand and absorb. Beginning in 1997, jurisdictions have been required to prepare an annual Consolidated Annual Performance and Evaluation Report (CAPER), which includes quantitative data on spending and activities under each of the block grant programs covered by the ConPlan as well as a narrative summary. This narrative was intended to allow jurisdictions to describe their activities and accomplishments and relate them to the priorities and strategies articulated in the ConPlan. In principle, therefore, the CAPER provides feedback to the community on how the jurisdiction's performance aligns with its strategy, strengthening local accountability, not only for planning, but also for implementation. However, little guidance has been provided to either jurisdictions or HUD field offices about how to prepare the CAPER, or what parts of it must be made available to the public. Therefore, most jurisdictions appear to be using it to report to HUD in a formalized way about the use of various block grant funds, rather than to report back to the community on the implementation of the ConPlan strategy.

Communication and Coordination Across Agencies and Programs

By bringing together application and planning requirements for four block grant programs, HUD intended the ConPlan to improve communication and coordination among the agencies implementing these programs locally. In addition, HUD's guidance instructs local jurisdictions to include all of their housing and community development programs and activities in the ConPlan strategy, and to consult with the local public housing agency (PHA) regarding its plans. In principle, therefore, the ConPlan requirements are intended to improve communication among agencies involved in housing programs at the local level, and to fit their activities together into a coherent strategy.

Coordination across agencies and programs can occur at four different levels: between different agencies of the same local government, between jurisdictions in a consortium, between jurisdictions in the same metropolitan region, and between localities and states. Each of these levels of coordination is discussed further below.

Local housing agencies. To date, the ConPlan process has not significantly strengthened coordination among agencies of local government in most jurisdictions. Most of the agencies responsible for preparing the ConPlan obtained essential information from other agencies of local government, but few developed working groups in which multiple agencies were at the table for the duration of the plan development. As discussed earlier, San Francisco has developed a formal working group that involves staff of relevant city agencies as well as local advocates and practitioners. This group enables city agencies to communicate and coordinate their activities fairly effectively on an ongoing basis. But this appears to be an exception. In most jurisdictions, agencies do not actively work together on the formulation and implementation of housing and community development plans and activities. It may be unrealistic, however, to expect that federal block grant funds could force real coordination among agencies especially since housing has never been a driver of community development.

The greatest coordination occurred around strategies for addressing special needs populations especially homelessness. Most jurisdictions relied heavily on data from their departments of public and mental health to determine the incidence of HIV/AIDS, drug addiction, and mental and physical disabilities. The Continuum of Care (CoC) plan and its linkages to the Consolidated Plan appears to have played a strong role in coordination amongst agencies. First homelessness advocates and service providers came together in the CoC plan and then the CoC plan was pulled into the Consolidated Plan resulting in the link between shelter and services.

The relationship of local housing and community development agencies with PHAs appears to be particularly problematic. Historically, PHAs have been perceived locally as

creatures of the federal government, highly regulated by HUD and not particularly responsive to the policies and priorities of local government. Most local housing and community development agencies have very limited working relationships with their PHAs, and may not fully understand how the public housing and voucher programs work. In several jurisdictions where local needs assessments have identified very low-income renters as having the highest incidence of housing needs, the ConPlan indicates that these needs are to be addressed by public housing and Section 8 vouchers. But there is little evidence of real coordination with these PHA activities, or of serious consideration of how the performance of the PHA might be strengthened. The city of Cambridge appears to be a notable exception in this regard. The local housing and community development agency has a good working relationship with the PHA, which acts as the developer for many city-funded projects and has collaborated to develop Section 8 properties and projects with expiring subsidies.

The recent requirement that the ConPlan must include a description of how the plan of the jurisdiction will address the needs of public housing is encouraging some jurisdictions to take the first tentative steps toward greater communication and coordination. But several respondents indicated that their local PHAs see no incentive for meaningful coordination, and that the PHA plans are prepared independently and simply “stapled in” to the ConPlan. Even in Cambridge (where there is a strong working relationship between the city and the PHA), and in San Francisco (where efforts are underway to build stronger relationships), the PHA plans are developed separately and added to the ConPlan. As yet, there is little real collaboration between PHAs and local housing departments in the planning process.

Consortia. HUD encourages local jurisdictions to join together to form consortia, which can qualify for formula allocations of HOME funds. In most consortia, there appears to be limited communication and coordination among member jurisdictions. Consortia are generally formed in order to meet the funding threshold for HOME, and coordination tends to be limited to the application and distribution of HOME funds.

In some cases, consortia members continue to operate their own CDBG programs as local entitlements, and the consortia merely becomes the HUD-mandated conduit for submission of its independent CDBG strategies without any programmatic basis for coordination. In such cases, consortia ConPlans are likely to be “collated” strategies rather than “coordinated” strategies. Each member conducts its own citizen participation, and submits its finalized community development strategy for inclusion in the consortium ConPlan. However, these consortia communities are likely to meet and coordinate the plan for expenditure of HOME funds. Sometimes they operate through a committee structure, and other times through informal staff coordination. Once funding is received, the natural inclination is to divide the funds on a pro rata basis and permit the individual jurisdictions to spend their shares as they choose. The lead agency of the consortia might retain control of IDIS set-ups and

disbursements, and requires reports back from other jurisdictions on the allocation of funds, in order to satisfy HUD's basic monitoring requirements.

However, in other consortia, especially those that also have CDBG Urban County history and member jurisdictions that lack housing and community development staff, there is a tendency to rely on the lead agency to provide broader administrative services, including identification of projects and project administration. The member jurisdictions still retain the lead in choosing projects to receive allocations of funds, but rely on the lead agency for implementation. In a few cases, there is true centralized selection and administration of HOME projects by a consortium body. Cuyahoga County created a consortium board consisting of the consortium members and county commissioners which ratifies all decisions.

Metropolitan Regions. While the ConPlan regulation encourages coordination among contiguous jurisdictions, and regional perspectives on housing problems and strategies are a logical and desirable extension of a ConPlan-like process, the ConPlan process did not produce meaningful regional communication or coordination, with the exception of HOPWA Program planning.

There are many social, political and economic factors that prevail against regional planning. HUD initiatives are unlikely to overcome these impediments, unless they become requirements to gain access to funding. The program rules do not create sufficient incentives for coordination among jurisdictions. HOPWA is the primary exception, as its funding is metropolitan-based. HOME permits contiguous jurisdictions to join as consortia, or to coordinate and jointly fund individual projects. CDBG permits joint planning by metropolitan communities and urban counties. However, neither HOME nor CDBG require such regional activities.

Most local respondents seemed surprised when we asked whether any region-wide planning occurred as part of this process. Even in metropolitan areas like Minneapolis-St. Paul, which have a history of regionalism, the ConPlan is seen as a local document, focusing primarily on an individual jurisdiction's plans for using the block grant resources provided by HUD. Several jurisdictions commented that the Analysis of Impediments to Fair Housing (AI) was a specific task related to the ConPlan that logically should be done on a regional housing market basis, but none were taking steps to make this happen.

Localities and States. While there was evidence of joint funding of housing projects by states and local jurisdictions, there was little evidence of coordinated planning between the states and local jurisdictions. The CHAS regulation encouraged coordination between the State and local CHAS. As a result of strong state opposition to this requirement because of the

impracticality of coordinating with dozens of communities, this requirement was not included in the ConPlan regulations.

HOME rules permit joint state-local funding of projects. CDBG does not, as the states administer CDBG funds only for the non-entitled areas. There are several instances of joint HOME funding, particularly in the Boston metro area. In such cases, the coordination appears to occur in the project selection and underwriting phases, rather than during the planning phases of the ConPlan.

As noted previously, some states such as Georgia and California require comprehensive planning that includes a housing element, but it does not appear that the states encourage integration of these planning requirements with the local ConPlan process. This means that local jurisdictions are required to carry out two planning processes, one for HUD and another for the state.

It should be noted that states are key actors in the delivery of housing assistance. State funds are critical components of many local housing projects. In addition to Low Income Housing Tax Credits (which are commonly combined with HOME and CDBG) states administer tax-exempt bond programs which assist both homeownership and rental housing. Both of these are Federal housing resources that generally were not coordinated with local ConPlans. In addition, states administer a range of state-funded housing and infrastructure programs that are critical to affordable housing as leverage and match funds. Without a requirement to coordinate, these state-administered funds are unlikely to be effectively coordinated with local ConPlan funds.

5. IMPACTS OF THE PLANNING PROCESS

The Consolidated Planning process is challenging and time consuming for jurisdictions, and, as discussed in chapter four, local implementation is strongly influenced by pre-existing systems and relationships for allocating housing funds. But does the ConPlan have any impact on local decision-making? This chapter explores the extent to which jurisdictions accurately assessed their local market conditions and needs, established priorities and strategies that respond to these needs, and allocated their discretionary funds in accord with their priorities.

Assessing Local Market Conditions and Housing Needs

The ConPlan requires jurisdictions to systematically document local housing conditions and needs as a first step in setting priorities and deciding how to allocate available resources. As illustrated in chapter three, market conditions vary dramatically across the six metropolitan areas included in this study, and across the individual jurisdictions within these regions. To be effective, housing policies and programs need to recognize and respond to this variation. Do local ConPlans accurately reflect housing market conditions and needs?

In general, the answer is “yes.” As discussed in chapter four, all of the jurisdictions we studied used the 1990 census tabulations provided by HUD along with locally available data. And in general, they produced realistic, fact-based assessments of market conditions and needs. Exhibit 5.1 summarizes key findings about market conditions and serious housing problems from the analyses conducted by all the study sites. These analyses generally reflect the dramatic differences in market conditions discussed in chapter three, and provide realistic assessments of their communities’ most severe housing problems.

Jurisdictions tend to focus their analyses on local market conditions, rather than on conditions and trends in the region as a whole. Nonetheless, they clearly recognize and reflect the regional market picture and accurately diagnose the critical trends for their communities. Specifically:

- The city of **Atlanta** acknowledges that its metropolitan area is growing rapidly, but focuses on the city’s loss of population, especially families with children. The suburban jurisdictions, on the other hand, emphasize the growth pressures they face and the lack of affordable housing units relative to local needs.

Planning to Meet Local Housing Needs

Exhibit 5.1
ASSESSING HOUSING MARKET CONDITIONS AND NEEDS

CITY	KEY MARKET CONDITIONS AND TRENDS	SERIOUS HOUSING PROBLEMS
ATLANTA	<ul style="list-style-type: none"> ▪ City losing population, especially families, while region grows rapidly ▪ Lower rents and house prices than region ▪ Production of affordable rental housing falling short of demand 	<ul style="list-style-type: none"> ▪ Majority of households have low or very low incomes ▪ High incidence of housing problems at low and very low income levels ▪ Affordability is the biggest problem
DEKALB COUNTY	<ul style="list-style-type: none"> ▪ County increasing in population and households ▪ Higher rents and house prices than region ▪ Slightly more owner-occupied than renter-occupied units 	<ul style="list-style-type: none"> ▪ Affordability is the biggest problem. ▪ Cost burden rates highest among blacks, Hispanics, and Asians.
FULTON COUNTY	<ul style="list-style-type: none"> ▪ County increasing in population and households ▪ Lowest percentage of affordable homeowner units in the area ▪ Percentage of affordable rental units decreased in the 90's 	<ul style="list-style-type: none"> ▪ Affordability is the biggest problem. ▪ Cost burden rates are twice as high for renters as for owners. ▪ Burden rates are worse for Hispanics than for other groups, but still high among blacks and the elderly
COBB COUNTY CONSORTIUM	<ul style="list-style-type: none"> ▪ Highest growth of occupied units in the region ▪ Major shifts in racial/ethnic composition ▪ Shortage of large rental units 	<ul style="list-style-type: none"> ▪ Affordability is biggest problem ▪ High percentage of substandard units reported, with most of them rental units.
BOSTON	<ul style="list-style-type: none"> ▪ City gaining population ▪ Tight housing market, with declining vacancy rates and rising rents ▪ Stock is primarily multifamily and renter-occupied 	<ul style="list-style-type: none"> ▪ Primary problem is affordability, even for moderate income households
CAMBRIDGE	<ul style="list-style-type: none"> ▪ Demand for affordable units far exceeds supply ▪ Most units are old, with many substandard units 	<ul style="list-style-type: none"> ▪ Affordability is the biggest problem, even up to 80 percent of the median income ▪ Burden rates significantly higher than other jurisdictions in the area ▪ Highest overcrowding rates in the area
NEWTON	<ul style="list-style-type: none"> ▪ Population increasing ▪ Large percentage of elderly households ▪ Lowest percentage of affordable rental and homeowner units in the region 	<ul style="list-style-type: none"> ▪ Cost burden is the greatest problem.
QUINCY	<ul style="list-style-type: none"> ▪ Population increasing ▪ Few homes available to low-income people ▪ Most affordable housing is rental 	<ul style="list-style-type: none"> ▪ Primary problem is cost burden, although rate of burden is the lowest in the area. ▪ Physical deficiency rate is the lowest in the region
CLEVELAND	<ul style="list-style-type: none"> ▪ City losing population and jobs ▪ Vacancy rates high and costs relatively low ▪ Housing deterioration and abandonment 	<ul style="list-style-type: none"> ▪ Primary problem is affordability ▪ Elderly homeowners cannot afford to maintain or repair homes
CUYAHOGA COUNTY CONSORTIUM	<ul style="list-style-type: none"> ▪ Population declining ▪ Growth outward ▪ Majority of units are owner-occupied 	<ul style="list-style-type: none"> ▪ Cost burden is the biggest problem ▪ Lowest rate of cost burden of all jurisdictions ▪ Fewer affordable rental and owner units than the city and area.

Planning to Meet Local Housing Needs

CITY	KEY MARKET CONDITIONS AND TRENDS	SERIOUS HOUSING PROBLEMS
MINNEAPOLIS	<ul style="list-style-type: none"> ▪ Older housing stock leading to a decrease in property values making rehab a negative investment. ▪ Concentration of low income households and public and assisted housing in inner city neighborhoods. ▪ Rising poverty rates, especially among minority households 	<ul style="list-style-type: none"> ▪ High incidence of problems among low and very low income households ▪ Housing problem disproportionately high among minorities — especially Native Americans
ST. PAUL CITY	<ul style="list-style-type: none"> ▪ Losing population ▪ Decreasing demand for rental housing ▪ Housing stock old 	<ul style="list-style-type: none"> ▪ Cost burden is primary problem ▪ Low-income, large family housing shortage ▪ Sub-standard housing concentrated in African American, Hispanic, elderly, renter, and low-income households.
HENNEPIN COUNTY	<ul style="list-style-type: none"> ▪ Increasing population from 1993-1998 ▪ Lowest percentage of affordable housing in the region 	<ul style="list-style-type: none"> ▪ Cost burden is the primary problem ▪ Overcrowding and physical deficiency rates are the lowest in the region.
DAKOTA COUNTY CONSORTIUM	<ul style="list-style-type: none"> ▪ Increasing population from 1993-1998 ▪ Low-income housing threatened by growth of wealthier suburbs 	<ul style="list-style-type: none"> ▪ Cost burden is primary problem ▪ API and Hispanic populations in greatest need of rent subsidies
SAN ANTONIO	<ul style="list-style-type: none"> ▪ City gaining population, in part due to high immigration ▪ Housing construction has not kept pace, vacancy rates are low and rents are rising rapidly ▪ New housing is high cost 	<ul style="list-style-type: none"> ▪ High incidence of substandard housing ▪ Problems are most severe among low and very low income households ▪ High population of elderly households, who increasingly need supportive housing
SAN FRANCISCO	<ul style="list-style-type: none"> ▪ City gaining population, but land is scarce and stock growth is limited ▪ Tight market, high and rising costs 	<ul style="list-style-type: none"> ▪ Serious affordability problems for low and very low income households ▪ Homeownership is unaffordable for most city residents ▪ Earthquake damage/risk creates high rehab need
SAN MATEO COUNTY	<ul style="list-style-type: none"> ▪ Rapid population growth ▪ Little vacant land forces redevelopment of underutilized property ▪ Lowest percentage of affordable rental housing in the region 	<ul style="list-style-type: none"> ▪ Affordability primary problem ▪ Income growth not keeping up with inflation in property values
MARIN COUNTY	<ul style="list-style-type: none"> ▪ Declining population ▪ Older, wealthy suburb ▪ Severe shortage of affordable housing 	<ul style="list-style-type: none"> ▪ Affordability is primary problem ▪ Homeowner burden rate highest in the region

- **Boston's** analysis highlights the city's growing population and tight rental market, even though the region as a whole grew only slowly during the 1990s. Cambridge calls attention to its aging stock and tight housing market, while the suburban jurisdictions recognize that their housing stock provides few opportunities for low-income households.
- Both **Cleveland** and Cuyahoga County emphasize their population loss, recognizing that the region's growth is occurring farther out. The city's analysis also focuses on its high vacancy rates, deteriorated stock, and housing abandonment.
- **Minneapolis** and **St. Paul** both identify declining population and housing demand as key market trends, with Minneapolis also calling attention to rising poverty rates and the geographic concentration of poverty. In contrast, the suburban jurisdictions in the region are facing population growth and rising housing costs.
- **San Antonio's** analysis focused on population growth, both in the region as a whole and in the city, and on the role of immigration in fueling this growth.

The analyses conducted by suburban jurisdictions were generally more modest than those prepared by city agencies, but all of the ConPlans we studied provided thoughtful and realistic presentations of key factors and trends shaping the local market.

The local analyses also provided realistic, evidence-based assessments of housing problems (again see Exhibit 5.1). Drawing heavily from the special tabulations of 1990 census data provided by HUD, the sites generally recognized that the incidence of problems was highest among low- and very low-income households, and that by far the primary problem was one of affordability:

- In the **Atlanta** region, the city's analysis points out that the majority of residents have low or very low income levels, so that the incidence of housing problems is high even though rents and house prices are lower than for the rest of the region. The suburban jurisdictions also identify affordability as the most prevalent problem, especially for renters, and highlight the disproportionately high cost burdens paid by minority households.
- **Boston** and Cambridge both highlight the fact that even moderate-income households face a significant incidence of housing problems, because the housing market is so tight. Cambridge also calls attention to its high rates of overcrowding, which are indeed higher than the rest of the metro area. Newton and Quincy, both higher income suburbs, recognize that affordability problems are severe for low-income residents.
- Both **Cleveland** and Cuyahoga County identify affordability as their primary problems, although Cleveland also highlights the inability of elderly homeowners to maintain or repair

their homes. In fact, the city of Cleveland has a relatively high rate of physical deficiencies, especially among poor households.

- All of the jurisdictions in the **Minneapolis-St. Paul** region report that affordability is the primary problem, particularly among low-income households. They also highlight the fact that minority households, including Native Americans, face high rates of housing problems.
- **San Antonio's** analysis emphasizes the problem of substandard housing. And indeed, the rate of physical deficiencies is unusually high in San Antonio; as discussed in chapter three, over one third of extremely low-income households live in physically deficient units.
- All three jurisdictions in the **San Francisco** area highlight the severe affordability problems that result from the region's tight rental market and rising housing costs. The city's analysis indicates that the vast majority of the city's residents cannot afford to buy homes there, and also discusses the problem of housing deficiencies caused by earthquake damage.

Although local analyses did a good job of diagnosing key market conditions and serious housing problems, few jurisdictions made significant modifications to their analyses over the course of the 1990s. As discussed in chapter four, the tables and analysis required by HUD rely heavily on decennial census data, and many jurisdictions were frustrated by their perception that these data were no longer current by the second half of the decade. However, because most local staff lacked data sources and tools for assembling more current data, they did not systematically update their analyses. Some used evidence from the 1980 -1990 period to impute trends for the 1990s. For example, San Antonio discusses the impacts of the banking and oil industry collapse, which occurred during the 1980s, and significantly reduced levels of investment in housing.

Several jurisdictions attempted to supplement the decennial census data with more current information from service providers and local surveys (see chapter four for examples). But the prominence of the census tabulations in the HUD-mandated analysis poses problems as these data age over the decade, and raises questions about whether it makes sense to require an updated needs assessment in the absence of updated information. This is particularly true for suburban jurisdictions, which often lack the staff resources and alternative data sources to prepare their own updates.

Setting Priorities and Strategies

The ConPlan requires jurisdictions to make their housing policy priorities explicit and to articulate a strategy for using available resources to address these priorities. By requiring a needs analysis as a key first step, the ConPlan encourages jurisdictions to relate their priorities

and strategies to the market conditions and needs they have documented. And many advocates for this kind of planning process assume that groups with the highest incidence of serious housing problems will demand and receive the highest priority. Do local priorities in fact align with documented housing problems?

The link between problems and priorities is complex. The jurisdictions we studied did develop priorities and strategies that reflect local market conditions and needs. But local priorities were often driven by political and policy considerations beyond the incidence and severity of needs. All of the jurisdictions we studied reported that the most serious housing problems were concentrated among the poorest households (especially renters), and that affordability is by far the most widespread housing problem. But low-income renters facing affordability problems were not always given the only high priority. Exhibit 5.2 summarizes the priority rankings assigned to different types of households and housing problems by each of the study sites.

Almost every study site assigned “high” priority to extremely low- and very low-income renter households paying unaffordable housing cost burdens.¹ However, the same “high” priority ranking was assigned to other groups and problems as well. Several jurisdictions ranked *all* problems among extremely low- and very low-income renters as high priority. More typically, sites identified several high priority problems among low-income renters. For example, Cleveland assigned high priority not only to extremely low- and very-low income renters paying unaffordable cost burdens, but also to those living in substandard housing and large renter households living in overcrowded housing. These rankings are consistent with Cleveland’s needs assessment, which highlighted not only affordability but housing deterioration and abandonment as serious problems facing the city.

¹ The Cuyahoga County Consortium in the Cleveland metropolitan area assigned a “low” priority to renters paying unaffordable cost burdens. “High” priority groups included low-income renters living in overcrowded housing, extremely low-income homeowners in substandard or overcrowded housing, and special needs populations.

Planning to Meet Local Housing Needs

Exhibit 5.2
PRIORITY HOUSING NEEDS

Jurisdiction	High Priority	MEDIUM PRIORITY	LOW PRIORITY
Atlanta City	Renters: ELI & VLI with any problem Owners: ELI with any problem Special Needs	Renters: LI with any problem Owners: VLI with any problem	Owners: LI with any problem
Dekalb Cnty	Renters: non-elderly with cost burden or substandard; elderly with substandard Owners: substandard Special Needs	Renters: non-elderly crowded; elderly crowded and cost burden Owners; cost burden and crowded	
Fulton Cnty	Renters: ELI & VLI with any problem Owners: ELI & VLI in crowded or substandard housing	Renters: LI with any problem Owners: LI in crowded or substandard housing Special Needs	Owners: ELI, VLI & ELI with cost burden
Cobb Cons	Renters: ELI & VLI with cost burden Owners: ELI & VLI in substandard; VLI & LI with cost burden Special Needs: emergency shelter for homeless	Renters: ELI & VLI in substandard; large ELI & VLI households in crowded; LI with cost burden Owners: LI in substandard Special Needs: outreach and transitional & permanent housing for homeless	Renters: LI in crowded and substandard; small LI with cost burden Owners: crowded
Boston City	Renters: ELI, VLI & LI with any problems Owners: ELI, VLI, & LI with any problems	Special Needs	
Cambridge	Renters: Non-elderly ELI, VLI, & LI with any problems Owners: VLI & LI with any problems	Renters: Elderly ELI, VLI & LI with any problems Owners: ELI with any problems Special Needs	
Newton	Renters: ELI, VLI, & LI with any problems Owners: ELI, VLI & LI with any problems		
Quincy	Renters: ELI, VLI, & LI with any problems Owners: ELI, VLI & LI with any problems Special Needs		
Cleveland City	Renters: ELI & VLI with cost burden; ELI, VLI & LI in substandard; large ELI, VLI & LI in crowded Owners: ELI with cost burden; ELI, VLI & LI in substandard Special Needs		Owners: VLI with cost burden

Planning to Meet Local Housing Needs

Jurisdiction	High Priority	MEDIUM PRIORITY	LOW PRIORITY
Cuyahoga	Renters: Non-elderly LI in crowded Owners: ELI in substandard or crowded Special Needs	Renters: ELI, VLI & LI in substandard; large VLI households in crowded Owners: ELI, VLI & LI with cost burden; VLI & LI in substandard or overcrowded	Renters: ELI, VLI & LI with cost burden
Minneapolis	Renters: ELI with cost burden; small VLI & LI households with cost burden; elderly LI with cost burden Owners: ELI & LI with cost burden	Renters: large VLI & LI households with cost burden; elderly VLI with cost burden Owners: VLI with cost burden	
St. Paul	Renters: non-elderly ELI & VLI with cost burden; large LI households with cost burden Owners: ELI & VLI with cost burden	Renters: non-elderly ELI & VLI in substandard; non-elderly LI with any problem; elderly ELI & VLI with cost burden Owners: ELI, VLI & LI in substandard; LI with cost burden	Renters: small ELI, VLI & LI in crowded; elderly ELI, VLI & LI in substandard or crowded Owners: ELI, VLI & LI in crowded
Hennepin	NA	NA	NA
Dakota Cons	Renters: ELI, VLI & LI with cost burden; non elderly ELI, VLI & LI in substandard; large ELI & VLI in crowded Owners: ELI, VLI & LI with cost burden or substandard	Renters: non-elderly LI in crowded; elderly ELI, VLI & LI in substandard Special Needs	Renters: elderly ELI, VLI & LI in crowded Owners: ELI & VLI in crowded
San Antonio	Renters: non-elderly ELI, VLI & LI with cost burden; large ELI, VLI & LI households in substandard Owners: ELI, VLI & LI with cost burden or substandard Special Needs	Renters: non elderly ELI, VLI & LI in crowded; small ELI, VLI & LI households insubstandard; elderly ELI, VLI & LI with cost burden or substandard Owners: ELI, VLI & LI in crowded	Renters: elderly ELI, VLI & LI in crowded
San Francisco	Renters: large and elderly ELI, VLI & LI with cost burden; ELI & VLI in substandard; large and elderly ELI & VLI in crowded Owners: ELI, VLI & LI in substandard Special Needs	Renters: LI in substandard or crowded; small ELI & VLI in crowded Owners: ELI, VLI & LI with cost burden or crowded	Renters: small ELI, VLI & LI with cost burden
San Mateo	Renters: ELI & VLI with any problems; LI with severe cost burden or crowded; large LI households in substandard Special Needs	Renters: LI with moderate cost burden; small LI households in crowded Owners: ELI in substandard	Owners: ELI, VLI & LI with cost burden or crowded; VLI & LI in substandard
Marin Cnty	Renters: ELI, VLI & LI with cost burden Owners: ELI, VLI & LI in substandard Special Needs	Renters: ELI, VLI & LI in substandard Owners: ELI, VLI & LI in crowded	Renters: non elderly ELI, VLI & LI in crowded Owners: ELI, VLI & LI with cost burden

Almost every site ranked some homeowner problems as high priority.² Some (such as the city of Boston) assigned the same high priority ranking to all problems among extremely low-, very low-, and low-income owners. Most, however, focused more narrowly on particular problems among homeowners, including cost burden (Cobb County Consortium, Minneapolis, and St. Paul, for example) or substandard housing (DeKalb County, Cuyahoga County, and San Francisco, for example). The priority rankings did not allow jurisdictions to indicate the importance that many assigned to first-time homebuyers or low-income renters seeking to become homeowners. However, as discussed further below, several of their strategies give considerable attention to these households.

Most sites assigned a high priority to special needs populations—typically referring to homeless families and individuals. Exceptions include Fulton County, the cities of Boston and Cambridge, Newton, Minneapolis and St. Paul, and the Dakota County Consortium. The Cobb County Consortium in Georgia assigned high priority to emergency shelter, while transitional and permanent housing for the homeless were ranked as medium priority.

Overall, the priority rankings reflect not only differences across sites in housing conditions and needs, but also differences in the approach used to assign priorities. In some cases, jurisdictions appear to have assigned high priority to problems with a high *incidence*—because a large share of households at this income level experience the problem. In other cases, high priority appears to have been assigned based on a problem’s *prevalence*—because a large number of households experience the problem. We also see some cases in which high priority appears to have been assigned due to the *severity or importance* of a problem—because it represents extreme hardship or is perceived as detrimental to the well-being of the jurisdiction. In other words, the priority rankings reflect local policy judgements about what problems deserve the most attention (and resources) and about how housing policy serves other city goals, as well as technical information about what problems are most prevalent.

The strategies that jurisdictions developed to address their priorities also reflect policy judgements as well as technical considerations. Moreover, as discussed in chapter four, some ConPlans present strategies that encompass all or most programs and resources available at the local level, while others focus primarily on activities to be funded with federal block grant resources. Jurisdictions also took different approaches to setting targets for their strategies. Some set targets that reflect overall levels of need, while others appear to have set targets based on what they expected to achieve, given available resources. All of these factors make it difficult to compare strategies across jurisdictions or to evaluate the appropriateness of a jurisdiction’s strategy relative to local needs.

² San Mateo’s plan does not give priority to any homeowner groups or problems.

Despite these difficulties, all of the jurisdictions we studied developed credible housing strategies that addressed problems identified in their needs assessments, and included activities that reflected their priorities. Exhibit 5.3 summarizes key elements of the strategies each jurisdiction developed to address priority problems among renters, homeowners, and special needs populations.

All of the jurisdictions we studied presented strategies targeted to low and very low-income renters. But their strategies differ significantly, and did not always focus on affordability, despite the high priority rankings they all gave to poor renters with cost burdens. The cities of Atlanta, Cleveland, and Minneapolis all focused their rental housing activities on preservation and rehabilitation of the existing stock, while Boston, San Antonio, and San Francisco—all of which faced much tighter rental markets—planned to expand the affordable rental stock through new construction and/or substantial rehabilitation. The strategies for Boston, Cambridge, and San Francisco also give considerable attention to the stock of housing with expiring federal subsidies, with Boston proposing to advocate for more federal resources to preserve these developments, and San Francisco planning to transfer projects to tenant organizations and other non-profits. Most of the suburban rental strategies emphasize the production of new affordable units, consistent with their needs assessments, which generally reflected shortages of affordable rental housing. Fulton County and the Cobb County Consortium also highlighted code enforcement and other tools for improving the physical condition of the affordable rental stock.

Planning to Meet Local Housing Needs

Exhibit 5.3

HOUSING STRATEGIES AND ACTIVITIES

CITY	RENTERS	OWNERS	HOMELESS & SPECIAL NEEDS
ATLANTA	Assist very low- and low-income renters living in substandard housing <ul style="list-style-type: none"> ▪ Rehab loans ▪ Code enforcement ▪ Public housing Comp Grant funds ▪ Rent-to-own program 	Stabilize neighborhoods by encouraging homeownership <ul style="list-style-type: none"> ▪ Single-family rehab ▪ In-fill development ▪ Conversion of multifamily properties to co-ops/condos 	Prevent homelessness and assist the homeless with housing and supportive services <ul style="list-style-type: none"> ▪ Eviction prevention programs ▪ Referral and services for homeless and mentally ill ▪ Subsidies to property owners who provide affordable units
DEKALB COUNTY	Expand the supply of affordable multifamily rental housing <ul style="list-style-type: none"> • <i>Rental Rehab Program</i> • <i>Construction</i> • <i>Abatements</i> • <i>Multi-source funding</i> 	Improve the supply of single-family housing <ul style="list-style-type: none"> • <i>Low-interest and deferred payment loans to those with code violations</i> • <i>Rehab program</i> • <i>Inspectors</i> • <i>TA</i> 	Prevent homelessness and assist homeless with housing and supportive services. <ul style="list-style-type: none"> • <i>Continuum of Care</i> • <i>Expand special needs capacity</i> • <i>Expand services</i> • <i>Coordinate with relevant agencies</i> • <i>Information sharing</i>
FULTON COUNTY	Eliminate substandard housing and increase access to affordable housing <ul style="list-style-type: none"> • <i>Rental Rehab Program</i> • <i>Rental Assistance</i> • <i>Code enforcement</i> 	Eliminate substandard housing and increase access to affordable housing <ul style="list-style-type: none"> • <i>Emergency Home Repair</i> • <i>Rehab</i> • <i>Weatherization</i> • <i>Code Enforcement</i> • <i>Down payment assistance</i> 	Address the housing and supportive service needs of homeless and special needs families and individuals. <ul style="list-style-type: none"> • <i>Rental Assistance</i> • <i>TA and development training for nonprofits</i> • <i>Emergency grants for very-low income households</i> • <i>Increase responsiveness to changes in demand</i>
COBB COUNTY CONSORTIUM	Eliminate substandard housing and increase access to affordable housing <ul style="list-style-type: none"> • <i>Rental Rehab Program</i> • <i>Code enforcement</i> • <i>Section 8 Rental Rehab</i> • <i>Rental Assistance</i> • <i>Acquisition/Rehab funds for multi-family housing</i> 	Eliminate substandard housing and increase access to affordable housing <ul style="list-style-type: none"> • <i>Loans for land development and construction costs</i> • <i>Down payment assistance</i> • <i>Loans to nonprofits for infrastructure development</i> • <i>Funds for acquisition/rehab for cooperatives</i> • <i>Land Banking</i> 	<ul style="list-style-type: none"> ▪ <i>Prevent homelessness and assist homeless persons and families with children with housing and supportive services.</i> ▪ <i>ESG funding for shelters</i> ▪ <i>HOME funds for acquisition, construction and rehab for transitional housing</i> ▪ <i>SuperNOFA funds</i> ▪ <i>ESG for case management</i> ▪ <i>Shelter Plus Care</i> ▪ <i>State of GA Housing Trust fund for the Homeless</i>

Planning to Meet Local Housing Needs

CITY	RENTERS	OWNERS	HOMELESS & SPECIAL NEEDS
BOSTON	Preserve and expand the stock of subsidized rental housing <ul style="list-style-type: none"> ▪ Advocate for funds to preserve “expiring use” projects ▪ Use vouchers for extremely poor renters ▪ Grants and loans for new rental housing productions 	Prevent the deterioration of existing units <ul style="list-style-type: none"> ▪ Homeowner rehab loans ▪ Rehab vacant properties to prevent abandonment 	Improve access to permanent housing by expanding affordable housing supply <ul style="list-style-type: none"> ▪ Information and referral ▪ Create permanent housing for people with special needs ▪ Develop supportive and transitional housing
CAMBRIDGE	Preserve affordable rental housing and enhance access <ul style="list-style-type: none"> ▪ <i>CDBG and HOME for acquisition by nonprofits</i> ▪ <i>LIHTCs</i> ▪ <i>Section 8 Loan Guarantee and Project Based Certificates</i> ▪ <i>Mutli-Family Rehab Program</i> ▪ <i>State Programs</i> ▪ <i>Cambridge Affordable Housing Trust</i> ▪ <i>Inclusionary Zoning</i> ▪ <i>Expiring Use Activities</i> 	Continue to stabilize owner-occupied units <ul style="list-style-type: none"> ▪ <i>Home Improvement Program</i> ▪ <i>Lead Based Paint Hazard Reduction Program</i> ▪ <i>Rehab Assistance Program</i> ▪ <i>Non Profit Acquisition Programs</i> ▪ <i>Housing Stabilization Fund Program</i> ▪ <i>Soft Second Program</i> ▪ <i>Cambridge Affordable Housing Sales</i> ▪ <i>Limited Equity Resales</i> ▪ <i>Affordable Unit Marketing</i> 	To sustain and expand efforts to prevent homelessness <ul style="list-style-type: none"> ▪ <i>Prevention services</i> ▪ <i>Partner with relevant agencies</i> ▪ <i>Enhanced access to services</i> ▪ <i>Outreach</i> ▪ <i>Continuum of Care</i> ▪ <i>Awareness Campaign</i> ▪ <i>Shelter Plus Care</i> ▪ <i>McKinney Funding</i>
NEWTON	Increase the quality and quantity of affordable housing <ul style="list-style-type: none"> ▪ <i>Preserve expiring use projects</i> ▪ <i>Support Comprehensive Permit Process</i> ▪ <i>Increased input from the Newton Housing Partnership</i> ▪ <i>Tax incentives</i> ▪ <i>Relief from development related fees for affordable housing</i> ▪ <i>Expedite City approval process</i> ▪ <i>Update and revise the “10% Ordinance”</i> ▪ <i>Land Use and Zoning Models</i> 	Increase the quality and quantity of affordable housing <ul style="list-style-type: none"> ▪ <i>Newton Housing Rehab Fund</i> ▪ <i>Increased role for the NCDAs in acquisition and development</i> ▪ <i>Relief from development related fees for affordable housing</i> ▪ <i>Expedite City approval process</i> ▪ <i>Community Land Trust</i> ▪ <i>Deed restrictions</i> ▪ <i>Create Revolving Loan Housing Trust Fund</i> 	

Planning to Meet Local Housing Needs

CITY	RENTERS	OWNERS	HOMELESS & SPECIAL NEEDS
QUINCY	<p>Address the need for affordable rental housing</p> <p><i>Rehab</i></p> <ul style="list-style-type: none"> ▪ Quincy's Office of Rehabilitation ▪ Weymouth's Housing Program ▪ Neighborhood Housing Services (NHS) <p><i>Acquisition</i></p> <ul style="list-style-type: none"> ▪ NHS ▪ Quincy Community Action Program (QCAP) 	<p>Prevent the deterioration of and increase the stock of affordable housing</p> <ul style="list-style-type: none"> ▪ CDHO's ▪ Neighborhood Housing Services of the South Shore ▪ Quincy Community Action Program ▪ Down payment Assistance from DHCD 	<p>Address the high need for permanent housing and the medium need for transitional housing</p> <ul style="list-style-type: none"> ▪ The Department of Mental Health and the Department of Mental Retardation will collaborate with the CDHO's to develop affordable housing for special needs households. ▪ Funding will come from DMH and/or DMR agency funds, HOME, CDBG, and private funds to match federal funds.
CLEVELAND	<p>Improve the stock of affordable rental housing and reduce overcrowding</p> <ul style="list-style-type: none"> ▪ Rehab vacant and abandoned units (including public housing) ▪ Low-cost rehab loans and weatherization assistance ▪ Expand use of LIHTC for new development ▪ Support first-time homebuyers 	<p>Preserve the existing stock of homeowner units</p> <ul style="list-style-type: none"> ▪ Homeowner rehab loans ▪ Weatherization assistance ▪ Emergency mortgage assistance ▪ Self-help maintenance 	<p>Provide temporary, transitional, and permanent housing and supportive services</p> <ul style="list-style-type: none"> ▪ Assisted living facilities for frail elderly and disabled ▪ Use Supportive Housing, SAFAH, and Shelter Plus Care to fund facilities ▪ Restructure men's emergency shelter system
CUYAHOGA COUNTY CONSORTIUM	<p>Preserve and expand stock of affordable rental housing</p> <ul style="list-style-type: none"> ▪ Rental Assistance ▪ Rehab Loans ▪ New Construction through low interest loans to developers ▪ Housing Development Gap Financing ▪ Section 8 Rehab programs ▪ Ohio Capital Corporation for Housing 	<p>Preserve and expand the stock of affordable homeowner housing</p> <ul style="list-style-type: none"> ▪ Rehab Loans ▪ Exterior maintenance Program ▪ Weatherization Assistance Program ▪ Utility Support Programs ▪ Homestead Property Tax Exemption ▪ Down payment Assistance ▪ Credit Counseling 	<p>Reduce and prevent homelessness. Increase and improve services for those with special needs.</p> <ul style="list-style-type: none"> ▪ Innovative Demonstration Grant for Assessment/Outreach Services ▪ ESG, Office of Homeless Services (OHS) ▪ Transitional Housing (OHS) ▪ Permanent Supportive Housing (OHS) through a Tenant Based Rental Assistance Program ▪ Section 8 Certificates ▪ CCBMR, CCCMHB, Eden Inc.
MINNEAPOLIS	<p>Preserve and expand stock of affordable rental housing</p> <ul style="list-style-type: none"> ▪ Rental Rehab ▪ Conversion and new construction ▪ Code enforcement 	<p>Preserve and expand the stock of affordable homeowner housing</p> <ul style="list-style-type: none"> ▪ Rehab grants and loans ▪ In-fill housing 	<p>Expand emergency and transitional shelter capacity</p> <ul style="list-style-type: none"> ▪ Homeless prevention programs ▪ Acquisition and rehab of facilities ▪ Operating and support services

Planning to Meet Local Housing Needs

CITY	RENTERS	OWNERS	HOMELESS & SPECIAL NEEDS
ST. PAUL CITY	NA	NA	<p>Helping low income families to avoid becoming homeless</p> <ul style="list-style-type: none"> ▪ Emergency mortgage and rental assistance programs ▪ Emergency repairs ▪ Code violations aid ▪ Case management services ▪ Service providers ▪ Task Force on Homelessness ▪ Overnight Shelter Board
HENNEPIN COUNTY	NA	NA	NA
DAKOTA COUNTY CONSORTIUM	<p>Meet the needs of extremely low income renters</p> <ul style="list-style-type: none"> • <i>Rental Assistance</i> • <i>New production</i> • <i>Rehab</i> • <i>Conversions for supportive housing</i> 	<p>Meet the needs of extremely low income owners</p> <ul style="list-style-type: none"> • <i>Weatherization</i> • <i>Energy efficiency upgrade</i> • <i>Rehab programs</i> 	<p>Meet the needs of people with special needs</p> <ul style="list-style-type: none"> • <i>Enhance Rehab Program</i> • <i>Encourage programs for mentally ill</i> • <i>Acquisition of vacant land/buildings for group homes</i> • <i>Information clearinghouse for handicap accessible spaces</i>
SAN ANTONIO	<p>Increase number of very low- and low-income renters living in decent and affordable housing</p> <ul style="list-style-type: none"> ▪ Rental assistance ▪ Family self-sufficiency and tenant counseling ▪ Rental rehab ▪ Rental conversion and new construction ▪ Code enforcement 	<p>Assist first-time homebuyers and improve the condition of existing homeowner housing</p> <ul style="list-style-type: none"> ▪ Homeownership incentives ▪ Homeowner counseling ▪ Rehab grants and loans ▪ Emergency repair grants ▪ In-fill housing 	<p>Increase shelter capacity and supportive housing facilities</p> <ul style="list-style-type: none"> ▪ Homeless prevention programs ▪ Rehab and new construction of transitional housing and supportive housing facilities ▪ Rehab and new construction of SROs
SAN FRANCISCO	<p><i>Expand the supply of permanently affordable housing for very low-income households</i></p> <ul style="list-style-type: none"> ▪ Build new affordable rental housing ▪ Transfer expiring-use projects to tenant groups and non-profits ▪ Acquire and rehab rental housing with large units ▪ Subsidize earthquake remediation in exchange for long-term affordability 	<p>Assist low- and moderate-income first-time homebuyers and low-income homeowners</p> <ul style="list-style-type: none"> ▪ Expand the supply of homeowner units with resale restrictions ▪ Assistance to first-time homebuyers ▪ Maintenance and repair assistance to elderly homeowners 	<p>Expand transitional and permanent housing to end the cycle of homelessness</p> <ul style="list-style-type: none"> ▪ Emergency assistance and homeless prevention ▪ Develop additional shelter space and transitional housing ▪ Develop additional supportive housing ▪ Develop additional permanent affordable housing

Planning to Meet Local Housing Needs

CITY	RENTERS	OWNERS	HOMELESS & SPECIAL NEEDS
SAN MATEO COUNTY	Preserve and expand affordable housing stock for low and moderate income renters <ul style="list-style-type: none"> ▪ Use city “second unit” ordinance to allow for construction of legal second units. ▪ Below market rate program ▪ Redevelopment program ▪ Downtown conversion program 	Preserve and expand affordable housing stock for low and moderate income owners <ul style="list-style-type: none"> ▪ Housing rehabilitation program. ▪ Minor home repair and paint. ▪ Lead-based paint hazard reduction ▪ First time home buyers program 	<i>Address special needs housing for homeless persons, persons with HIV/AIDS. The mentally ill, the elderly and frail elderly, and persons with disabilities</i> <ul style="list-style-type: none"> ▪ Fund human service agencies ▪ Solicit proposals from agencies for housing and service development
MARIN COUNTY	<i>Extremely and very low income individuals and families excluding homeowners and first time homebuyers</i> <ul style="list-style-type: none"> ▪ Acquisition ▪ Rehabilitation ▪ New construction of rental housing ▪ Rental assistance 	<i>All low income individuals and families, very low income and low income homeowners excluding first-time homebuyer programs especially in low income neighborhoods.</i> <ul style="list-style-type: none"> ▪ Acquisition ▪ Rehabilitation 	Prevent homelessness and meet the needs of those with special needs <ul style="list-style-type: none"> ▪ <i>Provision of facilities for persons with disabilities or special needs</i> ▪ <i>CBO action for homelessness prevention</i> ▪ <i>Counseling services</i>

Homeownership strategies generally include support for both first-time homebuyers and existing homeowners who may be having difficulty maintaining their properties. Atlanta, Minneapolis, and San Antonio all include in-fill housing development in their strategies, with Atlanta explicitly articulating a goal of stabilizing neighborhoods by expanding homeownership. San Francisco’s plan includes the production of new homeowner units with resale restrictions to make them permanently affordable. Several jurisdictions’ strategies give particular attention to owner-occupied housing in substandard condition. For example, Boston, Cambridge, and Quincy all present strategies to address the deterioration and abandonment of homeowner housing.

Strategies targeted to special needs populations generally focus on homeless families and individuals, and include both homeless prevention programs and the development of permanent housing with supportive services. However, Minneapolis, San Antonio, and San Francisco all include plans to expand shelter capacity as well. And all of the plans include activities designed to improve or expand referrals and services for homeless people and other special needs groups. Interestingly, it is not only the city jurisdictions that have developed thoughtful strategies for addressing the problem of homelessness. All of the suburban plans also include prevention programs and support services as well as transitional and permanent housing for homeless families and individuals.

Allocating Federal Housing Resources

The ConPlan process is intended not only to produce sensible local strategies for addressing housing needs, but to guide implementation and hold jurisdictions accountable to their communities for implementing these strategies. As discussed earlier, however, the mechanisms jurisdictions use for reporting on their activities and accomplishments do not yet make it possible to compare activities to strategies or needs. More specifically, the CAPER, which was implemented by field notice in 1997, includes a narrative self-assessment, comparing activities with objectives, as well as tabulations of block grant spending and production levels required by HUD's centralized information system (IDIS). Due to the lack of clear guidance from HUD field offices, most jurisdictions treat the CAPER primarily as a monitoring report to HUD, showing how they allocated funds from each of their federal block grants and complied with program rules, rather than how they implemented an overall housing strategy.

Currently, the CAPER does not provide a comprehensive account of all housing-related activities undertaken by local jurisdictions. It does not integrate data on funding or activities from other federal programs (let alone state and local programs), and information for each covered program is presented separately, making it impossible to assess the extent to which projects or activities are being funded from multiple sources. Moreover, the activity categories for which block grant spending is reported do not align with the priorities or activities articulated in the ConPlan.³ Nevertheless, using data from HUD's block grant reporting system (IDIS), it is possible to analyze patterns of local spending under the four federal block grant programs and to assess the extent to which jurisdictions have used these resources to implement the strategies articulated in their ConPlans. In addition, we present data for each study site on levels of other federal housing resources, including the number of public housing units, the number of federally subsidized private rental units, the number of Low Income Housing Tax Credit units, and the number of housing vouchers. Although the availability and use of resources under these programs are not directly affected by local ConPlans, it is difficult to assess the implementation of ConPlan strategies without understanding the full array of federal housing resources available locally.

In general, block grant spending during the 1990s was broadly consistent with ConPlan strategies. For each of the central cities we studied, we analyzed the allocation of housing spending by HUD's reporting categories, which include 1) multifamily acquisition/rehab/new construction; 2) unclassified acquisition/rehab/new construction; 3) single-family rehab; 4)

³ Even if reports were assembled for all HUD-funded programs administered locally, it would be impossible to align funded activities with local strategies and needs, due to limited reporting categories and the fact that funds from multiple sources are combined for complex projects and activities.

homeownership; 5) tenant based rental assistance; 6) special needs facility construction/rehab; 7) special needs facility operations; 8) housing project administration; and 9) other housing activities. Not all of the ConPlans were explicit about the role of other federal resources, but in all of the study sites, federal rental assistance programs constitute a significant source of housing assistance for extremely low- and very low-income renters. The remainder of this section focuses in turn on the allocation of federal housing resources in each of the primary cities.⁴ Comparable data are available for the suburban jurisdictions in the annex volume to this report.

Atlanta. Atlanta's strategy gave strong emphasis to homebuyer assistance. The city wanted to strengthen and stabilize neighborhoods by encouraging homeownership, and planned to use existing stock capacity through rehabilitation and conversion of multifamily properties to co-ops and condominiums. This emphasis is clearly reflected in the allocation of Atlanta's HOME dollars, more than half of which were spent on single-family rehab. In addition, single-family rehab was the single biggest category of CDBG spending, accounting for 25 percent of housing dollars (see Exhibit 5.4).

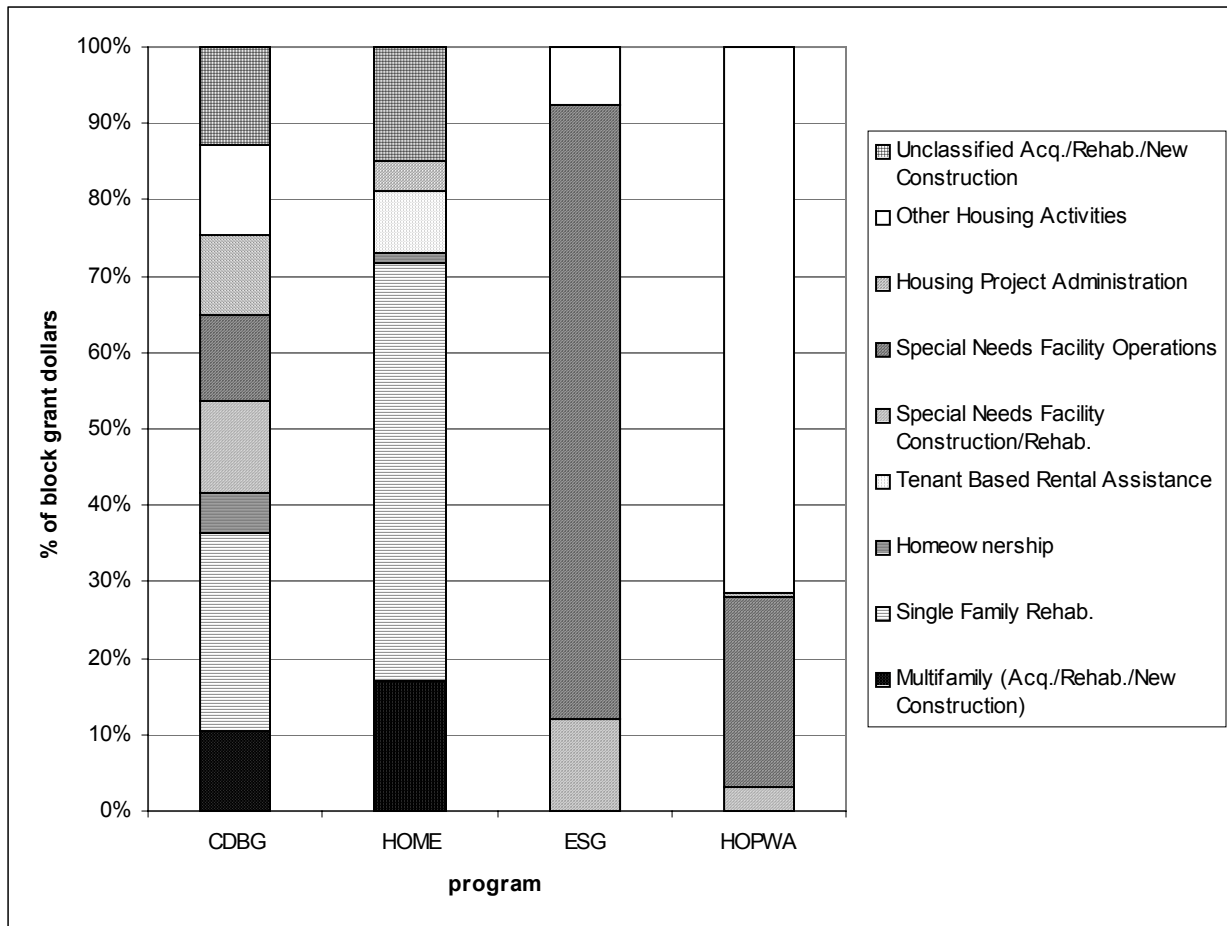
Atlanta's strategy also included activities to assist very low- and low-income renters living in substandard housing units. The city planned to use its public housing Comp Grant resources to rehabilitate dilapidated public housing, and to provide loans and enhance code enforcement to improve the quality of private rental housing. The city's spending under both HOME and CDBG included significant allocations to multifamily acquisition, rehab, and new construction.

To prevent homelessness and assist homeless individuals and families with housing and supportive services, Atlanta's strategy included eviction prevention programs and subsidies for affordable housing, as well as the expansion of homeless services. About 20 percent of CDBG spending went to special needs facility construction and/or operation, while the bulk of ESG resources went to special needs facility operations. Finally, Atlanta proposed to increase the

⁴ Data on the allocation of block grant resources were obtained from special tabulations of HUD's IDIS system, and the GPR system that preceded it. Data on CDBG spending are available from 1990 through 2000, with the exception of 1996, when the transition from GPR to IDIS occurred. Data on HOME, ESG, and HOPWA spending are available from 1997 through 2000. For each block grant, only spending on housing activities is reported here. Information on other federal housing programs at the beginning of the decade was obtained from HUD's "951" data for privately owned assisted units in 1988, Section 8 Management Information System (MIS) data for total number of certificates and vouchers in June 1993, archived SMIRPH data for total numbers of public housing units in 1995. For the end of the decade, the Low Income Housing Tax Credit database provides total LIHTC units in 1998, HUD's PIC system provides HA Profiles with vouchers and public housing units in 2001, and HUD's Multifamily Assistance and Section 8 Contracts Database provides counts for privately owned assisted units in 2001.

stock of housing and care facilities for special needs households, including the elderly and disabled. As indicated earlier, about 20 percent of CDBG spending went to special needs facility construction and/or operation.

Exhibit 5.4
Allocation of Housing Expenditures – Atlanta, GA



Atlanta’s ConPlan strategy did not explicitly discuss the volume or use of other federal housing resources. However, data for these programs suggest that the city’s deep subsidy federally subsidized rental housing stock remained constant during the 1990s while its population continued to grow. During the 1990s, the city of Atlanta maintained approximately 31,000 units of deep subsidy federally subsidized rental housing while the number of households living in the city of Atlanta grew by 20 percent. During this time, the number of vouchers allocated to Atlanta expanded by almost 6,000 while the number of federally subsidized housing units (both public housing and privately owned) fell by about the same amount. Over approximately the same time period, about 6,400 Low Income Housing Tax

Credit units were built in the city of Atlanta, increasing the overall affordable housing stock, but not keeping up with the population growth.⁵

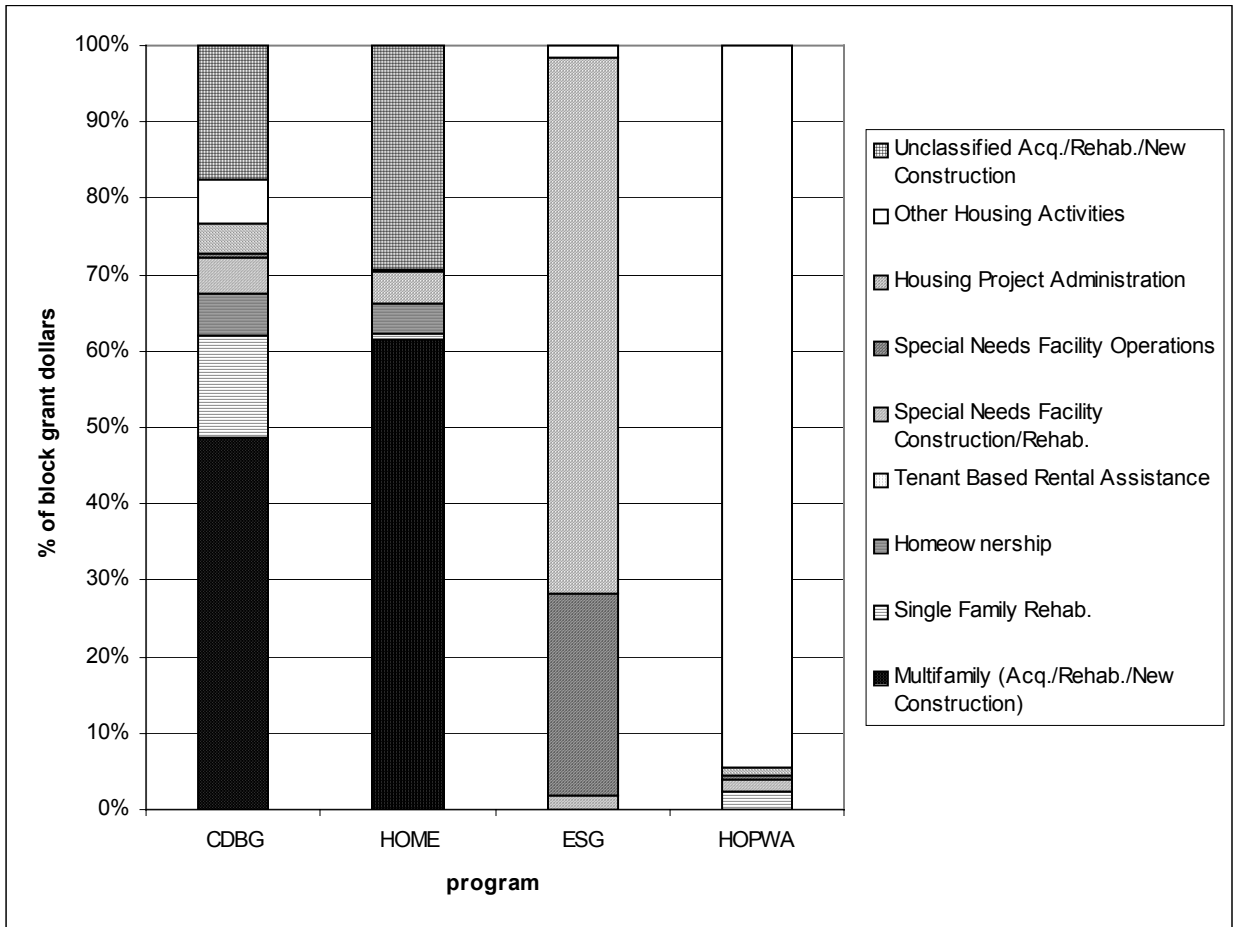
Boston. Boston's approach to assisting low- and very-low income renters includes preservation of the existing subsidized stock, tenant-based assistance (through Section 8 and a state voucher program), development of new affordable rental housing, and expansion of homeownership opportunities. It appears that the city planned to target CDBG and HOME resources primarily to rental housing development. Indeed, multifamily acquisition/rehab/construction is the biggest single category of spending under the CDBG program, accounting for almost half the dollars (see Exhibit 5.5). In addition, unclassified acquisition/rehab/construction accounted for 17 percent of CDBG spending. And almost all of the city's HOME dollars were allocated to production activities, including 62 percent for multifamily acquisition/rehab/construction and another 29 percent for unclassified acquisition/rehab/construction.

Boston planned to assist homeowners by providing loans for homeowner rehab to prevent the deterioration and abandonment of owner-occupied housing. Single-family rehab accounts for about 13 percent of CDBG spending, while homeowner assistance accounts for another 5 percent. No HOME funds were allocated to single-family rehab, but a small share (about 4 percent) was spent on homeownership assistance. Larger shares of both CDBG and HOME spending (17 percent and 29 percent) were allocated to unclassified acquisition/rehab/construction, which may include condos and co-operatives.

Boston's plan proposes to address the problem of homelessness by expanding the stock of permanent housing for special needs populations, and improving information and services for these populations. Almost 5 percent of CDBG spending was allocated to special needs facility construction. In addition, the high volume of spending for multifamily acquisition/rehab/construction and unclassified acquisition/rehab/construction could include facilities for the homeless. No HOME spending was allocated to special needs facilities, but again, spending for multifamily acquisition/rehab/construction and unclassified acquisition/rehab/construction could include facilities for the homeless. Only a tiny fraction of ESG funds were spent on facility construction. Instead, these resources were allocated primarily to housing project administration (70 percent), and to special needs facility operations (26 percent).

⁵ Note that LIHTC units are not necessarily affordable for households with incomes as low as those served by public and federally assisted housing, and some LIHTC units may also have received local HOME or CDBG funding.

Exhibit 5.5
Allocation of Housing Expenditures – Boston, MA



Boston’s ConPlan was explicit about the need for more federally subsidized rental housing. However, data for these programs suggest that the city had less federally subsidized rental housing relative to needs at the end of the 1990s than at the beginning. At the start of the decade, the city of Boston had approximately 42,200 units of federally subsidized rental housing (6,200 vouchers, 11,400 public housing units, and 24,600 federally subsidized private units) to serve a population of about 230,000 households. During the 1990s, the city gained 4,800 vouchers, but lost about 6,000 public housing and subsidized private units—for a net loss of 3 percent, while the number of households living in the city grew by 5 percent. Over approximately the same time period, almost 6,600 Low Income Housing Tax Credit units were built in the city of Boston, potentially compensating for the loss of other assisted housing units, but still falling short of the city’s household growth.

Cleveland. Like Atlanta, Cleveland’s ConPlan gave strong emphasis to existing homeowners, proposing to use HOME and CDBG funds for low cost rehab and other programs

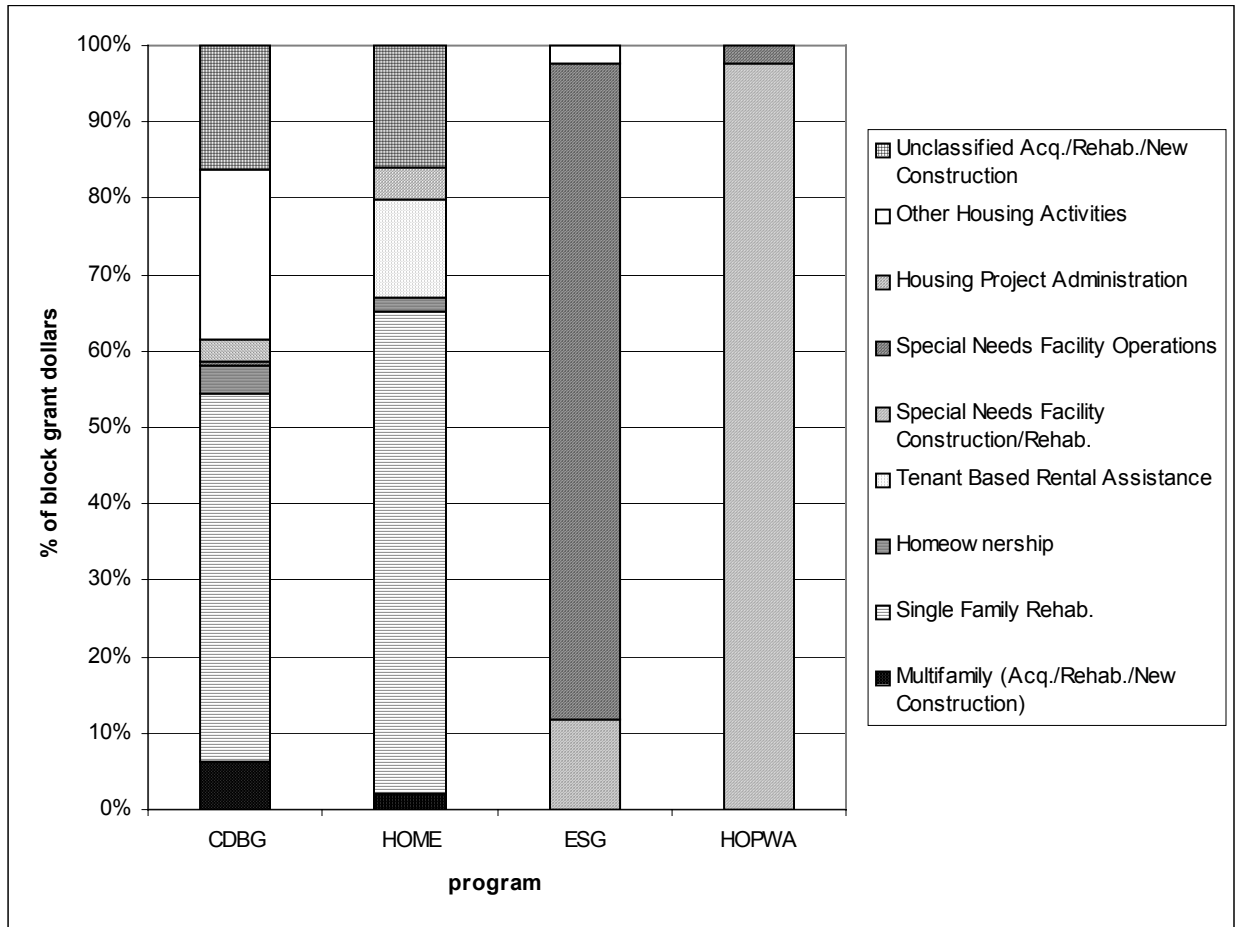
to prevent the deterioration of existing homeowner housing. About half of the city's CDBG funds and almost two thirds of its HOME funds (63 percent) were spent on single-family rehab activities (see Exhibit 5.6).

Plans for assistance to low and very low-income renters focused primarily on preservation and rehab of the existing stock, but new production with LIHTC and tenant-based assistance through Section 8 are included in the strategy. A small but significant share of the city's CDBG resources (7 percent) was spent on multifamily acquisition/ rehab/construction, with another 16 percent going to unclassified acquisition/rehab/construction. The same is true for the city's HOME spending—2 percent was spent on multifamily acquisition/rehab/construction, while 16 percent went to unclassified acquisition/rehab/ construction. In addition, Cleveland used 13 percent of its HOME funds for tenant-based assistance.

To serve special needs populations and the homeless, the city planned to expand the availability of affordable supportive housing for the elderly and disabled. No CDBG or HOME funds were explicitly allocated to special needs facility construction or operations. However, other spending on housing acquisition/rehab/construction could certainly include supportive housing. The vast majority of the city's ESG funds were allocated to special needs facility operations (85 percent), while virtually all its HOPWA funding (97 percent) went to special needs facility construction.

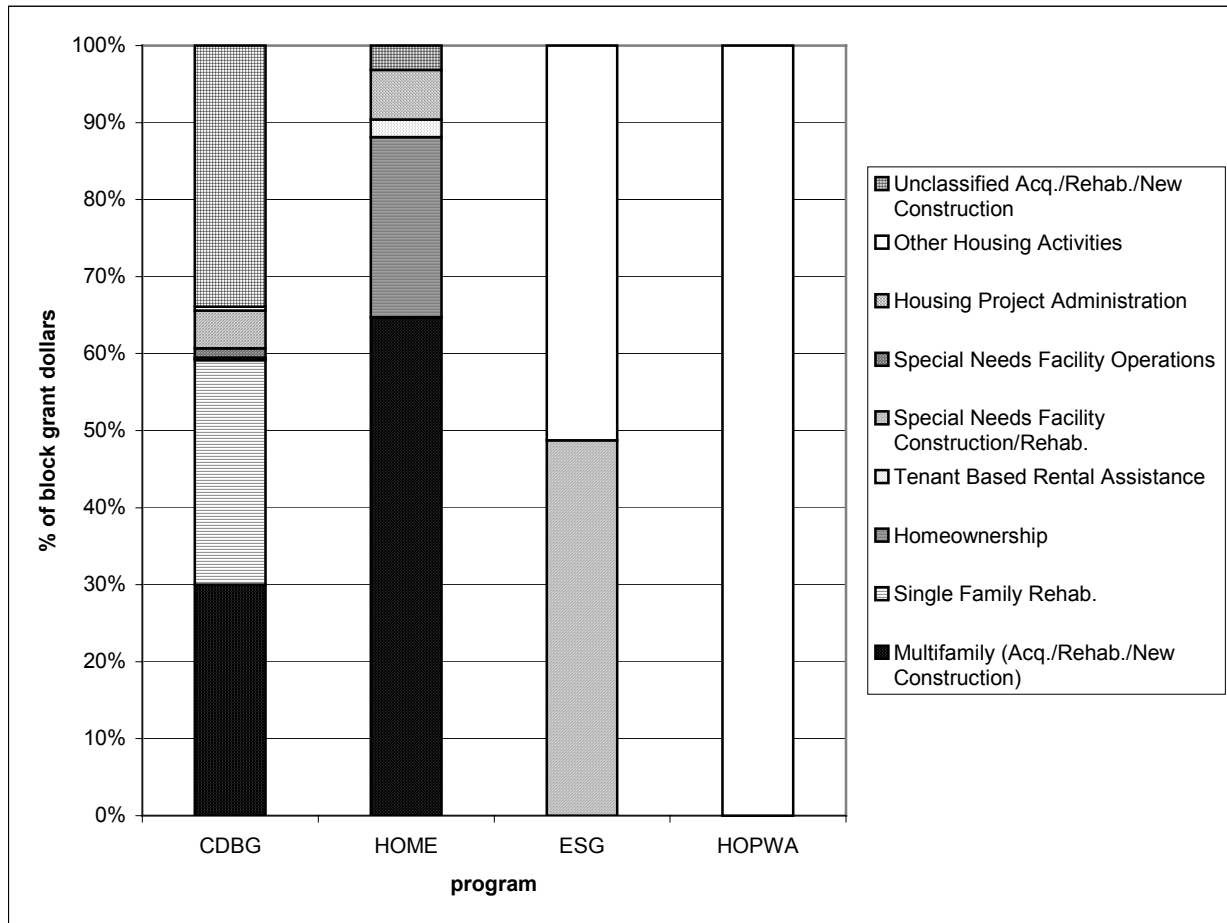
Cleveland's strategy includes rental housing production under LIHTC as well as federal housing vouchers, and both of these programs expanded during the 1990s. However, the number of subsidized private units declined over the decade. At the start of the 1990s the city of Cleveland had a total of approximately 29,000 units of federal rental assistance (about 7,300 vouchers, 11,900 public housing units, and 9,800 federally subsidized private units) relative to a population of about 199,000 households. During the 1990s, Cleveland gained 5,000 vouchers but lost 1,350 subsidized private units, for a net gain of about 13 percent, a big increase relative to a roughly 2 percent decline in the number of households living in the city. Over approximately the same time period, almost 4,200 Low Income Housing Tax Credit units were built in the city of Cleveland, for a significant overall gain in the stock of affordable rental units relative to the city's population.

Exhibit 5.6
Allocation of Housing Expenditures – Cleveland, OH



Minneapolis. Minneapolis’ strategy presents a fairly wide array of activities designed to serve both renters and homeowners from extremely low to moderate income levels, including rental rehab and new construction, as well as homeownership assistance, and rehab loans and grants. CDBG spending reflects this mix of planned activities, with roughly one third of the housing dollars going to each of multifamily acquisition/rehab/new construction, single-family rehab, and unclassified acquisition/rehab/new construction (see Exhibit 5.7). Almost two thirds of HOME dollars went to multifamily acquisition/rehab/new construction, and about one quarter of HOME money went to homeownership assistance. To serve special needs populations and the homeless, Minneapolis planned to expand both the number and capacity of shelters, and assist in their operation and services, to support organizations that deliver services to special needs populations, and to operate homeless prevention programs. Almost no CDBG or HOME funds went to special needs facility construction or operation, and ESG spending was evenly split between the construction of special needs facilities and other housing activities. All the HOPWA money went to other housing activities.

Exhibit 5.7
Allocation of Housing Expenditures – Minneapolis, MN



The Minneapolis ConPlan strategy did not explicitly discuss the role of other federal housing resources in meeting local needs. At the start of the 1990s the city of Minneapolis had a total of approximately 14,000 units (2,600 vouchers, 6,200 public housing units, and 5,200 subsidized private units). Over the course of the 1990s, Minneapolis gained 1,800 vouchers but lost 600 subsidized private units and 350 public housing units, for a net gain of about 7 percent (900 units), substantially greater than the 2 percent growth in the number of households living in the city. Over approximately the same time period, almost 600 Low Income Housing Tax Credit units were built in the city of Minneapolis, resulting in an increase in the stock of affordable rental units.

San Antonio. San Antonio’s plan featured assistance to low- and moderate-income homebuyers, including direct assistance for first-time homebuyers, purchase and rehab of vacant homes for homesteading, and rehab and repair assistance of existing homeowners. About one third of the city’s CDBG funds were spent on single-family rehab, and another third

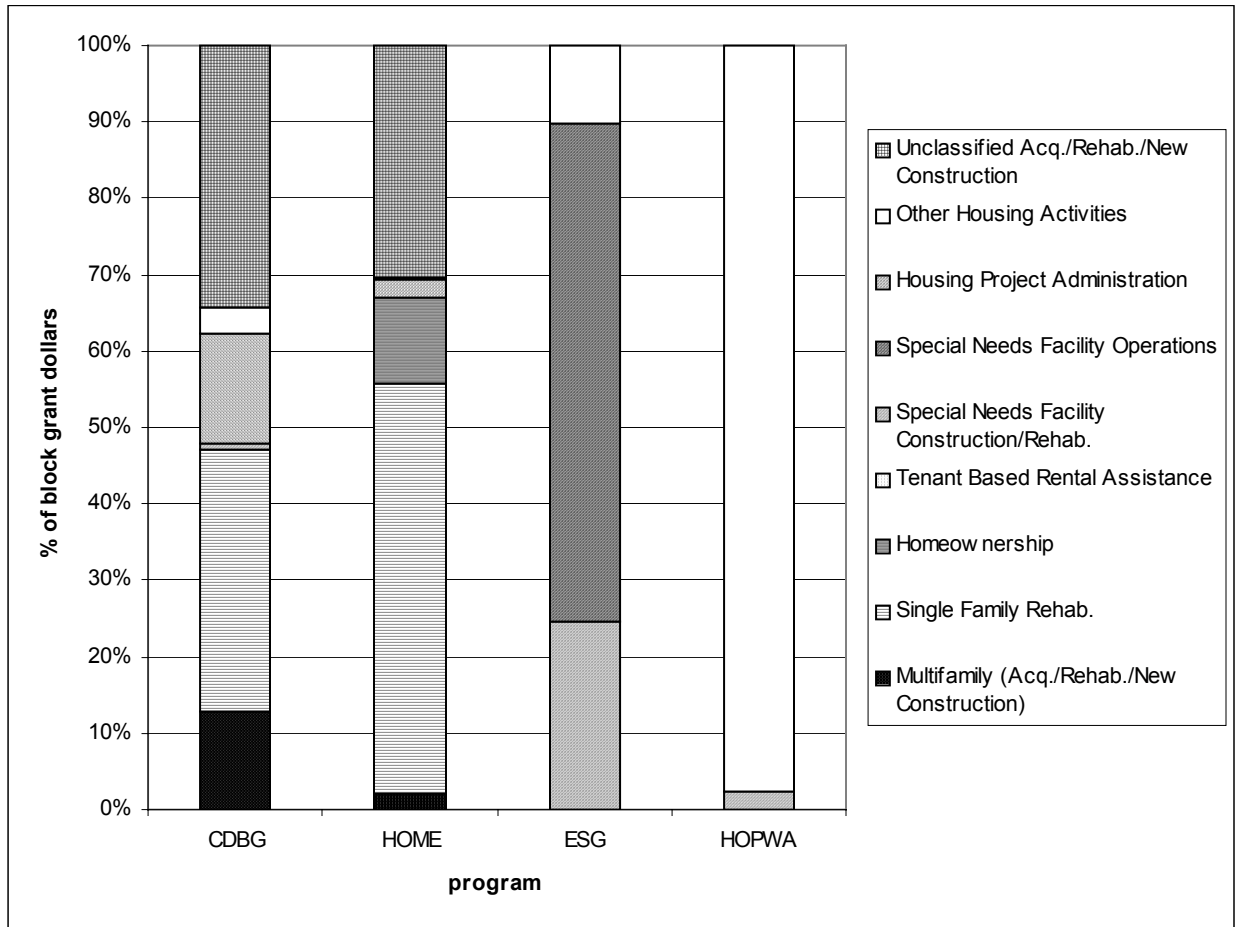
was allocated to unclassified acquisition/rehab/new construction (see Exhibit 5.8). In addition, more than half of the city's HOME dollars went to single-family rehab, with 30 percent allocated to unclassified acquisition/rehab/new construction, and another 11 percent to homeownership.

San Antonio also proposed to provide tenant-based assistance, counseling, and self-sufficiency programs for very low- and low-income renters, as well as rehab loans and gap financing for rental housing development. No CDBG or HOME funds were used for tenant based assistance, so it appears that the city might have been relying on Section 8 vouchers for this part of its strategy. Only about 12 percent of CDBG housing dollars, and 1 percent of HOME dollars went to multifamily acquisition/rehab/new construction.

Finally, San Antonio planned to expand the number and capacity of shelters and transitional housing, support the rehabilitation and production of housing for the elderly and disabled, and provide financial support to non-profits serving the homeless and other special populations. Almost no CDBG or HOME funds were spent on special needs facility construction or operation, but the spending on single-family rehab and unclassified production activities (discussed earlier) could cover housing for the elderly and disabled. About one quarter of ESG funds went to special needs facility construction, while two thirds went to special needs facility operations, while virtually all the HOPWA funds went to other housing activities.

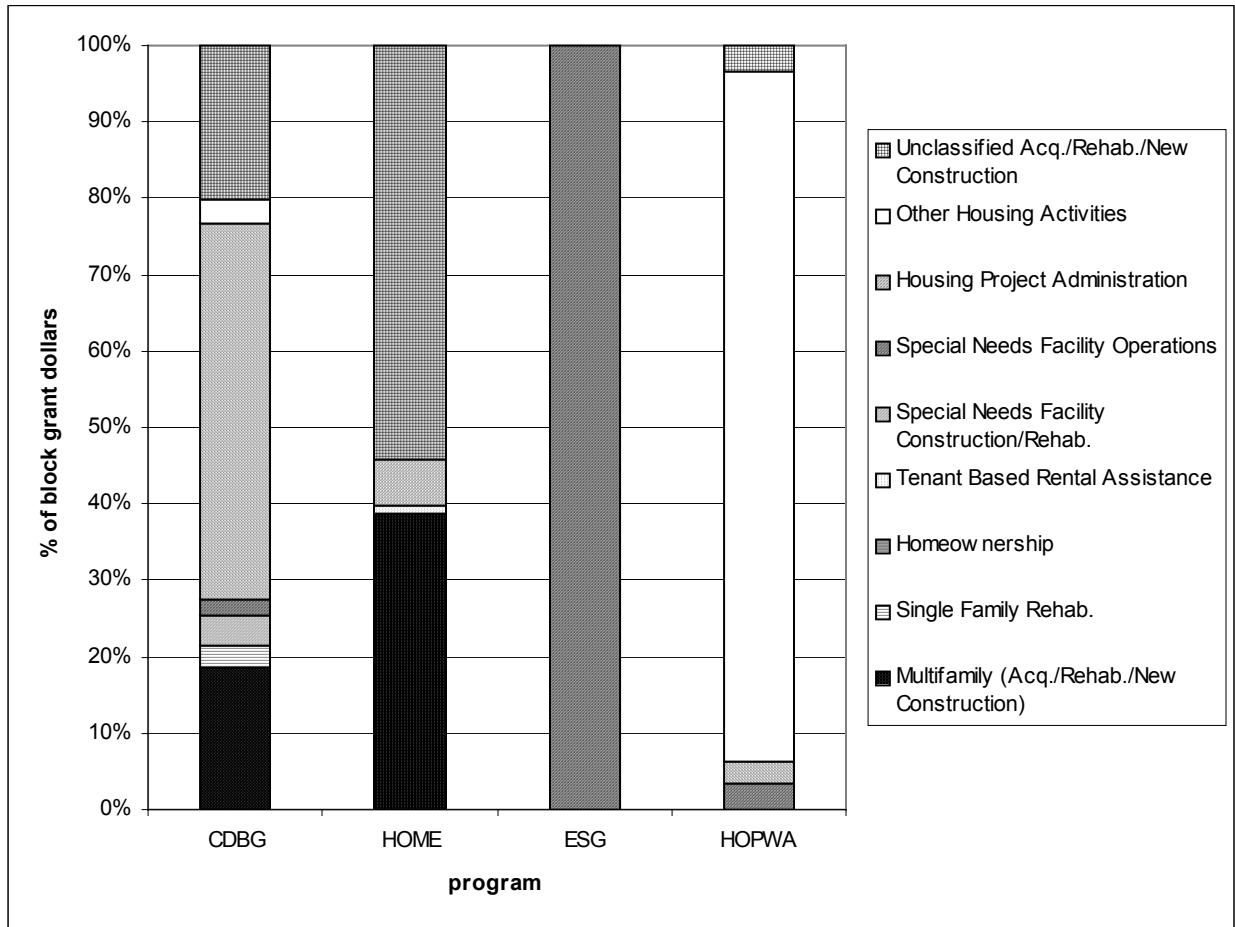
San Antonio's ConPlan strategy discusses the role of tenant-based housing assistance as a tool for meeting the needs of very low-income renters. And during the 1990s, the city's allocation of federal housing vouchers increased by 60 percent—from about 6,900 to nearly 11,000. The stock of public housing in San Antonio decline by about 2,000 units (from 8,100 to 6,100) and the number of subsidized private units dropped by about 1,300 (from 5,600 to 4,300). Overall, therefore, the total number of federally subsidized housing units in the city grew by about 4 percent to a total of 21,000. At the same time, however, San Antonio's population grew rapidly, with the total number of households in the city increasing by 24 percent to about 450,000. During this period, almost 1,600 Low Income Housing Tax Credit units were built in San Antonio, further increasing the stock of affordable rental units but not keeping pace with population growth.

Exhibit 5.8
Allocation of Housing Expenditures – San Antonio, TX



San Francisco. San Francisco’s strategy focused primarily on the production of affordable rental housing for very low-income households, including families and individuals at risk of homelessness. A significant share of CDBG resources was allocated to either multifamily acquisition/rehab/construction or unclassified acquisition/rehab/construction. In addition, 4 percent of CDBG funds over the decade was spent on special needs facility construction, and 2 percent was spent on special needs facility operations (Exhibit 5.14). Almost all of the city’s HOME funds were allocated to either multifamily acquisition/rehab/construction (39 percent) or unspecified acquisition/rehab/construction (54 percent). All of the city’s ESG funds were used for special needs facility operations, while HOPWA funds were all spent on other housing activities. None of San Francisco’s block grant resources were allocated to homeownership assistance or single-family rehab.

Exhibit 5.9
Allocation of Housing Expenditures – San Francisco, CA



San Francisco’s strategy for addressing the housing needs of very low-income renters includes federal housing vouchers and subsidized housing units. During the 1990s, the city’s pool of federally subsidized housing units grew faster than its population growth. At the start of the decade, San Francisco had about 19,500 units of federal rental assistance (3,800 vouchers, 6,600 public housing units, and 9,100 federal subsidized private units) relative to a population of about 306,000. Over the course of the 1990s, the number of vouchers allocated to the city grew by 3,600. The number of public housing units declined by about 300 while the number of federally subsidized private units dropped by about 760. The net gain in deep subsidy federal units was 13 percent compared to a population gain of about 8 percent. During this period, about 1,900 Low Income Housing Tax Credit units were built in San Francisco, for an overall gain in affordable rental housing relative to the city’s population.

Overall Effectiveness of Local ConPlans

There is no single “correct” housing strategy dictated by any particular set of market conditions and needs, so it is not meaningful to inquire whether a jurisdiction’s ConPlan “got it right.” The data presented here indicate that the jurisdictions we studied did a responsible job with the ConPlan process. They conducted sensible analyses of market conditions and needs, despite data limitations. They prepared reasonable strategies relative to overall market conditions, even though these strategies did not always give the highest priority to groups with the highest incidence of need. And they used their federal block grant resources to fund activities that were generally consistent with their strategies, although the linkage between activities and strategies was not always explicit.

Some jurisdictions discussed the role of other federal housing resources in their strategies, but whether or not they were explicit, most communities relied upon federal rental assistance programs and the LIHTC to help address local housing needs, especially for extremely low- and very low-income renters. But local communities have relatively little control over the level of these resources, and during the 1990s, our sites had a mixed experience, some as net losers and others as net gainers of affordable housing relative to their population growth. The number of vouchers generally increased, but the stock of public housing units and federally subsidized private units fell. The production of LIHTC units made up for some or all of this loss, but without supplementary subsidies, LIHTC units are not necessarily affordable for the poorest renter households. In slow-growth markets (such as Minneapolis-St. Paul and Cleveland), the availability of federal rental subsidies significantly exceeded household growth. But in the faster growing markets, the availability of these resources fell short of the total growth in households.

It is not surprising, therefore, that the incidence of housing problems generally worsened during the 1990s, especially among the poorest households. Exhibit 5.9 presents estimates (from American Housing Survey data) of changes in the incidence of housing problems for renters, homeowners, and all extremely low-income households. Because the AHS data are available for different time periods in different metropolitan areas, changes are reported in annual terms.⁶ In general, the share of households experiencing one or more serious housing problems increased during the 1990s, especially for the poorest households. One notable exception is that renters in the San Francisco metropolitan area experienced a marked drop in housing problems, attributable to a decline in the share of renters paying unaffordable cost burdens. However, problems among extremely low-income households in the San Francisco

⁶ In San Antonio, AHS data are available for only one year in the 1990s, so estimates of change in housing problems could not be produced.

region increased, suggesting that the gains in the overall affordable housing stock are able to reach very low-income households but not the extremely low-income.

Focusing on extremely low-income households suggests that the incidence of housing problems increased the most in the high-cost and high-growth markets of Boston, San Francisco, and Atlanta. Extremely low-income households in the metro areas of Cleveland and Minneapolis-St. Paul experienced more modest increases in housing problems. The city of Boston experienced by far the most dramatic increase in housing problems among extremely low-income households, driven primarily by increases in the incidence of unaffordable cost burdens, but also by increases in the rate of physical deficiencies. The second highest rate of increase among the cities in our study occurred in Atlanta, although the Atlanta region as a whole experienced a much more moderate increase in problems among extremely low-income households. Similarly, the city of Minneapolis experienced a dramatically steeper hike in the incidence of problems among extremely low-income households than the surrounding region. In fact, all problems (cost burden, crowding, and physical deficiencies) increased among extremely low-income households in Minneapolis. The same was true for extremely low-income households in the city of San Francisco, although housing affordability climbed the most rapidly. Finally, the city of Cleveland experienced the smallest increase in problems among the study sites, lower than the rest of its region. Although the incidence of unaffordable cost burdens and crowding rose, physical deficiencies declined among the poorest households.

The variations across sites in housing outcomes obviously result from many factors, including regional population and employment growth, the changing composition of city and suburban jurisdictions, trends in rents and house prices, and the overall level of housing assistance relative to needs. It is beyond the scope of this study to assess the relative contribution of local housing strategies, or to estimate how severe the housing problems in our study sites might have been in the absence of local ConPlans. A serious assessment of the effectiveness of local housing strategies in addressing housing needs would probably require a set of targeted output and outcome indicators tailored to reflect the goals of each community and the housing market environment in which these goals are pursued.

Planning to Meet Local Housing Needs

Exhibit 5.10

Annual Change in Percent of Households with One or More Housing Problem

	Renters	Owners	Extremely Low-Income
Atlanta MSA Total	0.86%	0.61%	1.02%
<i>Atlanta City</i>	0.36%	1.07%	1.63%
<i>Rest of Metro. Area</i>	1.12%	0.59%	0.79%
DeKalb County	2.48%	1.37%	1.12%
Fulton County	0.83%	0.65%	1.23%
Cobb Co. Consortium	0.64%	0.38%	2.44%
Remainder	0.58%	0.43%	0.33%
Boston MSA Total	1.89%	1.94%	2.92%
<i>Boston City</i>	2.67%	2.51%	3.32%
<i>Rest of Metro. Area</i>	1.49%	1.85%	2.81%
Cambridge	0.74%	1.99%	2.93%
Newton	4.13%	0.71%	5.36%
Quincy	0.80%	1.61%	2.17%
Remainder	1.30%	2.00%	2.65%
Cleveland MSA Total	1.24%	0.60%	0.70%
<i>Cleveland City</i>	1.79%	0.89%	0.61%
<i>Rest of Metro. Area</i>	1.19%	0.71%	1.00%
Cuyahoga County	1.09%	0.70%	0.74%
Remainder	0.54%	0.39%	1.21%
Minneapolis-St. Paul MSA Total	1.54%	0.60%	0.56%
<i>Minneapolis City</i>	1.58%	0.90%	1.23%
<i>St. Paul City</i>	1.22%	0.23%	-0.63%
<i>Rest of Metro. Area</i>	1.61%	0.64%	0.72%
Hennepin County	2.39%	1.03%	0.11%
Dakota Co. Consortium	0.78%	0.48%	1.79%
Remainder	2.23%	0.05%	-0.39%
San Francisco MSA Total	1.36%	1.00%	1.58%
<i>San Francisco City</i>	-1.29%	1.35%	1.52%
<i>Rest of Metro. Area</i>	-1.43%	0.84%	1.66%
San Mateo County	-1.40%	1.00%	2.17%
Marin County	-1.51%	0.43%	0.31%

6. CONCLUSIONS AND RECOMMENDATIONS

Today's ConPlan requirements reflect a multiplicity of HUD objectives, including planning, grants application, and management reporting. These requirements have evolved rapidly over the course of the 1990s, posing challenges for local jurisdictions and HUD field offices as they try to understand and satisfy new guidelines and expectations. Fundamentally, however, the ConPlan is intended to strengthen local housing policy-making and make local officials more accountable to their communities for the housing priorities they set, the strategies they pursue, and the ways they spend their discretionary housing resources. More specifically, four core goals motivate the ConPlan requirements:

1. Jurisdictions should develop an objective, **fact-based analysis** of local housing needs, that reflects the incidence and severity of housing problems among different segments of the population as well as key market forces and trends shaping housing conditions.
2. Jurisdictions should articulate **priorities** for addressing the needs they have documented, and define **strategies** and activities linked to these priorities. Ideally, these strategies should cut across different programs and funding sources, so that decisions about how to spend federal block grant funds, for example, are made in conjunction with decisions about who is served by public housing and housing vouchers, and what gaps cannot be addressed with other sources of funding.
3. Citizens, community representatives, and housing practitioners should have meaningful opportunities to help shape the analysis of needs and the development of priorities and strategies, and the jurisdiction should be **accountable** to the community for implementing the strategy it establishes. Again, this accountability would ideally apply across programs and funding streams to encompass the jurisdiction's overall housing strategy.
4. The multiple agencies that control housing resources and provide housing assistance locally should **communicate and coordinate** so that their strategies and actions work together. Strong inter-agency coordination is a prerequisite for a strategy that genuinely encompasses all (or even most) of a jurisdiction's housing resources.

The ConPlan process also incorporates significant advances by HUD in integrating its program administration, including cash management and monitoring functions, into a single administrative process and annual cycle. This report, however, focuses on the accomplishment of HUD's core planning and accountability goals.

Our analysis of the ConPlans and ConPlan processes in six metropolitan areas concludes that HUD's requirements are being responsibly implemented by both city and suburban

jurisdictions. All of the jurisdictions we studied met the minimum requirements established by HUD for the ConPlan process, and many went beyond the minimum. However, the process presented challenges which limited the extent to which HUD's fundamental goals could be achieved.

Needs Analysis. All of the jurisdictions supplemented the 1990 census tabulations provided by HUD with locally available data and produced careful analyses of local housing needs. Many worked with local service providers to develop reliable estimates of homelessness and of persons with special housing needs. These analyses reflected the relative scale of different housing problems and needs, as well as key local market conditions. However, over the course of the decade, jurisdictions were increasingly frustrated by their perception that the census data failed to accurately reflect current conditions and trends, and few had the time, expertise, or resources to produce comprehensive updates. Some continued to apply information from the 1980 to 1990 period to estimate changes occurring in the 1990s, and may therefore have missed new developments in demographic or market trends.

Priorities and Strategies. Most of the jurisdictions made their priorities and strategies reasonably explicit, and related them to the analysis of needs. For some communities, this represented the first local efforts to link housing activities to strategies. In others, however, the HUD planning requirements were imposed over pre-existing local or state planning efforts, sometimes as a separate and redundant planning process. Some jurisdictions integrated the ConPlan process into a pre-existing system for developing and implementing housing strategies.

Locally articulated strategies did not always target the segments of the population with the highest incidence or severity of documented needs. In part, this reflects the fact that priorities were not established solely on the basis of needs, but also on the basis of local policy and political judgements. However, the disconnect between needs and strategies also reflects a lack of clarity on HUD's part about whether jurisdictions should set priorities for an overall housing strategy (including state and local resources, public housing, and Section 8 vouchers) or simply for their use of the federal block grant funds. Some jurisdictions presented strategies that explicitly encompassed a wide range of housing programs and funding sources, but most were ambiguous about the extent to which their strategies applied only to the use of federal block grant funds or to other federal, state, and local resources as well.

Public Input and Accountability. All of the jurisdictions met HUD's requirements for consultation, public notice, and citizen input. Some went far beyond these requirements, actively involving community representatives and housing practitioners in the planning and priority-setting process. The dual HUD requirements of minimum public participation and

industry consultation provide a balanced set of opportunities for community input into analysis and strategies.

Late in the decade, HUD linked performance reporting of program activities to the Consolidated Planning process, in an effort to provide for accountability in implementing strategies. However, HUD's current systems and guidelines for reporting on activities and spending tend to focus mostly on program compliance and do not give sufficient emphasis to the linkage back to priorities and strategy. Therefore, it is difficult for members of the community and HUD staff to monitor the extent to which a jurisdiction's plans are actually being implemented or its priorities are actually being achieved. The lack of clarity about the scope of the ConPlan (federal block grants only or all housing resources) adds to the difficulty of comparing actual spending and programmatic activities to priorities and strategies. Currently, it is not possible to assess whether and how a jurisdiction has used its various federal, state, and local resources individually and in combination to implement the priorities and strategy it articulated in its ConPlan.

Agency Communication and Coordination. All of the jurisdictions we studied satisfied the basic requirements for notice and information sharing across agencies of local government. Some have developed formal systems for ongoing communication across agencies that help coordinate actions and leverage resources. However, in all of the jurisdictions, meaningful coordination with the Public Housing Agency (PHA) has presented a challenge, in part because PHAs are not required by HUD to integrate their activities with other housing initiatives at the local level. State and regional coordination also did not occur at levels that were encouraged by HUD guidance.

Overall, therefore, jurisdictions are successfully implementing the ConPlan requirements, and the process is generally having a positive impact on local housing plans and activities. But HUD could strengthen and clarify the process and provide better support to jurisdictions to make the local ConPlans more meaningful and effective. Specifically, the ConPlan process could be strengthened in four ways:

1. Address the problem of outdated census information. As discussed earlier, jurisdictions became increasingly frustrated by their reliance on the decennial census as the decade progressed. Although HUD allows jurisdictions to supplement the census data, most felt that they lacked the necessary time and expertise. HUD could consider providing an updated version of the special census tabulations, a suggested strategy for producing updated estimates, or even a list of possible sources of information for developing more current estimates. If the Census Bureau implements the new American Communities Survey, which will provide inter-censal estimates of population and housing trends, HUD should provide guidance to jurisdictions on how to use these new data to update their needs analyses. Alternatively,

HUD might consider requiring only one full-blown needs analysis per decade, prepared when decennial census data become available, and amended only if the jurisdiction has data on some significant new development in housing needs or market conditions.

2. Provide explicit guidance that priorities and strategies should reflect all federal, state and local resources, and encourage jurisdictions to develop their priorities for the HUD block grant funds as a part of these larger strategies. A major source of tension and ambiguity in the current process is the lack of clarity over whether jurisdictions are supposed to set priorities and define a strategy to address their housing problems overall, or whether the ConPlan simply presents priorities and strategy for the use of HUD block grants. The difference between the two is significant in big cities and states, which tend to have diverse housing resources. The ConPlan should more clearly require priorities and strategies at *both* these levels, but should also require jurisdictions to be explicit about what they intend to do with their block grant funds in the context of their larger strategy. This would enable localities to acknowledge, for example, that very low-income renters have the highest incidence of severe problems, but to indicate that they plan to use public housing and vouchers to address this need, while allocating HOME dollars to single-family rehab in order to stabilize neighborhoods and strengthen the tax base. Localities should also be encouraged to be explicit about the ways in which different subsidies may have to be combined, especially to make housing affordable for the poorest households.

3. Require PHAs to actively participate in the local planning process. Although the ConPlan is required to incorporate the PHA Plan, HUD has not yet created sufficiently strong incentives for both the ConPlan agency and the PHA to meaningfully coordinate their planning and implementation activities. Effective communication and coordination between PHAs and other local housing agencies is becoming increasingly important, as public housing developments are transformed to serve a more mixed-income clientele, as housing vouchers replace “hard” units that were previously earmarked for occupancy by extremely low-income renters, and as resources from multiple programs are combined to meet the housing needs of different target populations. This cannot realistically happen unless HUD requires PHAs to actively participate in the ConPlan process, rather than simply transmitting a PHA Plan to be “stapled in” to the local ConPlan. Possibilities include requiring PHAs to consult with their jurisdictions in the development of the PHA Plan, and to have the local elected body adopt the PHA Plan (not just a consistency determination).

4. Design activity reports that align with priorities and strategies. HUD’s requirements for annual performance reporting under the ConPlan (the CAPER) should more explicitly differentiate reports to HUD on how block grant dollars were spent, from reports back to the community on both block grant activities and other activities undertaken as part of the local housing strategy. The current CAPER instructions call for such a report to the community,

the cornerstone of which is the self-assessment narrative. However, localities have not yet received sufficient guidance from HUD to produce meaningful self-assessments. The report to the community should be readable and understandable; it should explicitly relate activities and accomplishments to the priorities and strategy from the plan; and it should include data showing how block grant dollars were allocated and how other federal, state, and local resources were used to advance the strategy as a whole. To make this kind of report possible, HUD would have to provide jurisdictions with up-to-date information about all the federal housing resources flowing into the community, including vouchers, public housing funding, HOPEVI grants, and Low Income Housing Tax Credits. Currently, many jurisdictions have difficulty assembling a complete profile of their federal housing resources.

These recommendations do not necessarily require formal regulatory changes. Instead, they could be implemented through a combination of clear instructions and consistent guidance, provided with ample advance notice. In fact, most of the jurisdictions we visited would welcome more extensive guidance from HUD, including guidance about how to make materials more understandable and meaningful for members of the community.

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