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# From Public Housing Residents to Homeowners

**Selling a Concept to Residents, City  
Officials and Other Stakeholders**



## Statement of the Problem

- This study seeks to convince key government officials and stakeholders in the city of Charlottesville to convert some of Charlottesville's public housing stock into private homes for public housing residents. Specifically, it would involve modernizing and preserving three public housing sites (Riverside Drive, Michie Drive and Madison Avenue) as African American communities. This plan offers an alternative to the current affordable housing plans throughout the city, which involve the conversion of most public housing stock into mixed income housing units, where African American residents will no longer be majorities. Under mixed housing plans, public housing residents will still be renters who will pay their rent through vouchers. This establishes different relationships between the Housing and Urban Development (HUD), Charlottesville Housing Authority (CRHA), and public housing residents, with the government administering the vouchers but no longer being responsible for the maintenance of units.
- The proposed model proposed in this study would offer a direct path to home ownership, and many of the benefits that accrue to such individuals and diverse communities in which they continue to live. Such an approach will require massive commitments from a host of governmental agencies, and political actors, stakeholders, and the residents themselves, as they grapple with past and current policies and practices that created and sustain racial segregation into the public housing units in the first place. Despite these practices, stable communities developed, even with public housing, that are worth preserving, which is the purpose of this feasibility study. While preserving their neighborhoods and homes, these individuals should be provided with pathways to upgrade their educational, social and economic skills in ways that will enable them to maintain their homes, improve the quality of their lives, become permanent member of the Charlottesville community, and, ultimately, have something tangible that they can pass on to their children.

## PITCH

- Homes for Charlottesville's Poorest in the Places Where the Presently Reside

- What if politicians and key stakeholders in Charlottesville came together to help some public housing residents turn the rental units where they presently reside into affordable homes that they could own? By providing some public housing residents with the resources and skills needed to thrive in the neighborhoods where they currently reside, all of Charlottesville will reap the benefits of maintaining a truly diverse community. While such an effort will require a major commitment of resources to this largely African American community, it can and should be done.
- 57 public housing units (out of a total of 372), are proposed in this study. Often referred to as scattered sites, the three sites are Madison Avenue (18 units), Michie Drive (23 units), and Riverside Drive (16 units). Each of these duplexes, after major renovation, could be sold to public housing residents. Rather than becoming racial minorities within newly mixed income communities, these 57 families would be allowed to purchase the newly renovated duplexes.
- Within a five-year period of time, individuals will be expected to receive two or three years training in technical and medical fields that will result in stable employment in jobs that provide medical insurance and pensions. They and their children will reap the benefits that come with home ownership, such as feeling more invested in their homes and the communities in which they live. The city, in turn would benefit from new homeowners that pay taxes, experience improvement in the children's educational outcomes, and parents who are more likely to be engaged in city affairs.

## Public Housing Residents

- The people that live in the city public housing units and are at the bottom of the economic ladder.
- Residents have a offered input into the planning of units within the mixed housing units on presently being build on sixth and first streets. Planning has included the design of facilities, including outdoor and indoor spaces for themselves and their children.
- Individuals living in the shattered sites have been placed in a parallel track, which begins with assessments for modernization, as opposed to demolition and redevelopment. Residents have been asked about the upgrades they would like to see.
- At least sixty residents would have to be sold on the idea of pursuing two to three years of training at PVCC in technical and medical fields that would provide them with skilled positions within the Charlottesville community (the would be able to upgrade from the low-level service jobs that most hold at UVa and in other service industries).

## Public Housing Association of Residents (PHAR)

- PHAR is a not-for-profit organization that is dedicated to advocating for and with public housing residents. It is entirely governed by public housing residents and one Section 8 resident. As the duly recognized federal mandated representative of all residents in public housing, they work closely with (but are separate from) the Charlottesville Redevelopment and Housing Authority (CRHA).
- It empowers residents to become involved in city politics and government by training public housing residents in internship programs.
- Its representatives sit on many CRHA committees, and it has a permanent seat on the Housing Advisory Board.
- It is a major participant on the Planning and Management team (PMT), which resulted in improved relations with both CRHA and the City of Charlottesville.
- It has played a major role in redevelopment initiatives, especially attending meetings with residents to keep them apprise of redevelopment initiatives and recruiting residents to do the same/
- Are working on parallel track modernization of some of the existing units.
- PHAR favors housing programs that offer the promise of improving living conditions, safe environments for parents and children, and the hope for upward mobility.
- PHAR would need to sale the idea of the HUD Section 32 [program to CRHA and to residents, in the face of pressures community pressures from a variety of interest listed on other slides. Including those who have tried in the purchase public housing properties for mixed housing and other developments.

## Charlottesville Redevelopment and Housing Association (CHAR)

- Convince CRHA to obtain approval from HUD before implementing a homeownership program under Section 32, and therefore must submit a homeownership plan which includes the Inventory Removals Application (HUD52860) and the Homeownership Addendum/Term Sheet (HUD-52860-C).
- Non-Qualified (Public Housing Authorities (PHAs) (as identified under the Housing and Economic Recovery Act of 2008 (HERA) must state their intent to submit a homeownership plan to HUD in their Annual PHA Plan. Qualified PHAs (as identified under HERA) must state their intent to submit a homeownership plan to HUD in their 5-Year PHA Plan. The SAC will not review any homeownership plan not addressed in a PHA Plan.
- The required items, along with supporting documentation outlines in 24 CFR Part 906.39-906.49, are intended to provide HUD with all the necessary information to assess the workability and legality of the proposed program and the PHA's capacity to implement it.
- PHAs (CRHA) implementing a Section 32 program may use their funds for:
  - Subsidy to public housing residents (using Capital Funds or program income) or other low-income families (using only program income) in the forms of (a) down payment or closing cost assistance, (b) subordinate mortgages, and/or (c) below-market financing;
  - Acquisition of existing homes (or homes built for the PHA by a third party 24 CFR 906.41(2)) using Capital Funds for the purpose of sale to income eligible purchasers without adding these units to the Annual Contributions Contract (ACC);
  - Sale of public housing rental (ACC) units to income eligible purchasers; and
  - Operate the lease-purchase program.

# City of Charlottesville

- Has a negative relationship with CRHA, in terms of funding and support.
- Played a major role in the location of public housing throughout the city, by accepting the views of neighborhood associations that did not want in their areas;
- Neither the state or the city offer matching funds to CRHA, nor made up for cuts to revenue by HUD, which led to the deterioration of public housing units;
- Opportunity to atone for historical under-funding and neglect of CRHA and low-income residents;
- Competitive Framework: Other low-income and affordable housing groups (Habitat and Piedmont Housing Alliance), NIMBYs; all have gained from city budgetary and housing practices, while CRHA public housing has been unfunded and marginalized;
- Housing advisory committee – CRHA only recently given a permanent seat
- Atone for adverse policies and practices toward CRHA and the African American community, such as urban removal and eminent domain
- City Councilor, City Manager have seats on CRHA redevelopment and Project Management Boards
- City could offer incentives and breaks to CRHA and residents like those given to businesses and developers (purchase of units far below the market rate; income tax breaks, etc.

## Housing Advisory Committee

Comprised of 21 representatives of all city housing stakeholders; 4 Council appointments (developer, banker, neighborhood association, citizen at-large) and reps from City Council; AHIP, PHA, Habitat for Humanity, CRHA, CAAR, School Board, Free Enterprise Forum, PHAR, QCC, JABA, Planning Commission, Region Ten, TJAC for the Homeless, Albemarle County (non-voting); U. Va. Off-Grounds Housing (non-voting); IMPACT (non-voting).

Provides City Council with recommendations regarding housing policy and affordable housing funding priorities; researches and discusses trends and ideas in affordable housing across the state and nation and ways Charlottesville can implement some of those new ideas.

Decides how the city allocates affordable housing funds;

Could serve a place for presenting this idea of home ownership for public housing residents to the key officials and stakeholders.



## Charlottesville Planning Commission

- Horrible history of discrimination in zoning practices that weakened stable black communities and segregated public housing;
- Adjust zoning patterns in ways that promote and restore Black enterprise and neighborhoods;
- Charlottesville Plans together has appeased those who favor mixed income housing
- Protect scattered sites from the interested of for profit and nonprofit developers by protecting their status as duplexes or townhouses

## Housing and Urban Development (HUD)

- Policies favoring Big Business over Poor and Minorities;
- Vinegar Hill;
- UVA;
- Public Housing funding;
- Fair Clothe (1990 prohibition on the building of additional public housing units);
- HUD wants to abandon its role as a slum landlord;
- Treatment of Housing Tenants as second-class citizens;
- De-concentration of Poverty encouraging the gentrification of public housing (30 percent of public housing residents currently face eviction);
- • Section 32 can be implemented in conjunction with the Housing Choice Voucher Homeownership Program (HCVHP). The HCVHP program is described separately in the PHA's Section 8 Administration Plan, if applicable to the PHA. HCVHP can only be used in connection with units that are not currently under ACC or that are released from the ACC as a result of the sale of the unit. For example, lease to purchase programs would not be eligible for HCVHP during the lease phase;
- The Housing Trust Fund (HTF) is a unique federal program authorized by the Housing and Economic Recovery Act of 2008 (HERA) to increase and preserve the supply of housing for people with the lowest incomes, including families experiencing homelessness.

## Charlottesville Area Community Foundation

- Provided a grant to the City of Charlottesville, Charlottesville Redevelopment Association (CRHA), and the Public Housing Association of Residents, for the purposes of:
  - (1) promoting trust amongst the three entities;
  - (2) strengthening the capacity of these agencies and entities to improve the quality of public housing and the lives of public housing residents;
  - (3) Provided a place for Program Management Team (PMT) to discuss issues related to personnel needs for redevelopment and education and participation of residents in all stages of the process
  - (4) Continues to work with these individuals;
- Work with Public Housing Residents to achieve the goal of homeowner by bringing groups together in similar method to the approach used with the Program Management Team

## Charlottesville Low-Income Housing Coalition

- A coalition of residents and community-based organizations standing against displacement and for increased affordable housing for very low-income people.
- Its goal is to undo the racism meted out through zoning, land use, and housing policy for the last two centuries by forcing the Charlottesville city to:
- Up-zone historically exclusionary neighborhoods near essential resources;
- Incorporate anti-displacement policies in the housing policy specifically to protect historically Black neighborhoods from gentrification
- Enact the strongest mandatory inclusionary zoning ordinance in the state.
- Need to be convince of the value of majority black neighborhoods, given that public housing is one of the few places where they presently exist, due to gentrification and growth of the University of Virginia.
- Recognize that the ethnic model of mixed income housing does not meet the needs of individuals that face historical and systemic discrimination

## Neighborhood Organizations (including NIMBYs)

- Today, there are 32 neighborhood associations, representing communities across Charlottesville, most of which arose out of a desire to protect and preserve a neighborhood's character.
- Because race and housing have always been connected in Charlottesville, as elsewhere, neighborhood advocacy came with racial implications. When city officials neglected black desires and prioritized white ones, white neighborhoods ultimately were preserved as quiet enclaves of single-family homes, where property values increased over time, while black neighborhoods were left vulnerable to disruption.
- The NIMBY (not in my backyard) doctrine espoused by most of these neighborhood groups explains the isolated location of the public housing sites from city neighbors.
- Include Public Housing Residents on their emails, mailing lists;
- Invite Public Housing Residents to their meetings and social events;
- Try see some value in the people and their children, who have the same needs as they and their children

## Habitat for Humanity

- Habitat for Humanity builds simple, affordable homes with and for families, couples and individuals in need of housing.
- Convince that African Americans want to preserve some of public housing for homes for themselves, given the problems that they had qualifying and remaining in habitat homes;
- Incomes are too low (No income vs. low income);
- Lack educational and jobs needed to sustain a home;
- Would like Habitat to support this program that provides homes to the lowest income residents, many of whom do not meet the financial qualifications for their homes.

## Piedmont Housing Alliance (PHA)

- Piedmont Housing Alliance is dedicated to improving financial outcomes for individuals and families by offering innovative affordable housing solutions. In doing this, we acknowledge the role real estate practices and laws have played in preventing Black Americans and others from building wealth in our service area and country. We stand ready to make intentional change to right these wrongs.
- Instead of taking public housing lands beyond the ones they already have, allow and support the three homeowner plans for African Americans proposed in this study.
- Support the idea of allowing some public housing units to go directly to African American in public housing units.

## Virginia Department of Housing and Community Development

- DHCD partners with Virginia's communities to develop their economic potential, regulates Virginia's building and fire codes, provides training and certification for building officials, and invests more than \$100 million each year into housing and community development projects throughout the state - the majority of which are designed to help low- to moderate-income citizens.
- By partnering with local governments, nonprofit groups, state and federal agencies, and others, DHCD is working to improve the quality of life for Virginians.
- Some State and local housing programs require mixed-income occupancy as a condition for funding a proposed development. State housing finance agencies and local housing departments provide low-interest loans and other subsidies for developments that include units for low- and/or moderate-income households as well as market-rate units for more affluent households
- Several City affordable housing projects receive HIEE funds for energy efficiency. Could go for modernization of public housing units.
- Virginia Housing Trust Fund (Virginia Housing Trust Fund)



## University of Virginia and PVCC

- PVCC could work with 70 public housing residents to gain remedial skills often lacking upon leaving high school; Encourage them to learn technical and/medical skills beyond living wage; and provide study skills necessary to be successful students;
- UVA could reverse or remedy some of its past and present policies that keep public housing residents mired in poverty; such as hiring a private contractor to cut the labor costs and benefits to its service workers, taking lands and houses that were (are) located in former black communities, and further pressuring local housing needs and pressures through its expansion.
- UVA could offer funds to the public housing to homeownership program and hire newly trained workers to worker in higher wage jobs throughout the university.

## **Bankers and Developers (for profit)**

- The pandemic has created a financial nightmare for both federal and state housing authorities: Governmental authorities, both federal and local, have mandated requirements to upgrade, improve infrastructure, and maintain service during the pandemic, while at the same time, housing authorities are confronted with a dramatic drop in revenue. However, this set of facts spurs a unique opportunity for housing authorities to innovate, partnering with private sources of equity, utilizing the expertise and financial resources of private developers, who will prepare and process the application for federal low-income tax credits (commonly referred to as “LIHTC”). CRHA and other low-income housing providers have relied heavily on these funds, which can also be used for the conversion of public housing units into private homes.
- Housing authorities have a myriad of options with respect to restructuring ownership, while maintaining continued management and control of the property. These private/public partnerships provide the housing authority with much needed funds as well as creating new ongoing revenue streams, while at the same time, providing upgraded housing for its residents, without burdening local taxpayers. Depending on the condition of the housing, a property may qualify for a tear down and rebuild, renovation, or if the housing authority is fortunate to own or can acquire vacant land, the opportunity to construct new development. Most developments utilizing this structure are dedicated to projects for qualified seniors or to work force housing, many near the central downtown area of the local municipality.
- The key is to get these funders to devise below market funding products that will atone for redlining and other unfair practices that hurt and discouraged black homeownership.

## Conclusions and Future Research Directions

- Using the marketing strategy identified Dr. Venkatesan, this project sought to identify ways in which key government officials, agencies and stakeholders could be convinced to use their considerable resources to convert three of the public housing units into private homes for public housing residents.
- In the process of attempting to come up with benefits, I identified a pattern of racial and systematic discrimination against African Americans that led disparate access to decent and affordable housing and education. This includes such practices as segregation, denial of equal access to governmental programs, urban renewal practices that eliminated black businesses and homes, and redlining that denied bank loans for housing purchases and home improvements.
- The public housing units built by HUD and administered by CRHA have been plagued with problems related to the failure to upkeep units due to inadequate funding and the lack of support from state and local governments to make up the difference in cuts in HUD funding. These units were created as rental units for African Americans and were segregated from other housing due to the pressures of other residents.
- Reversing the effects of past and present discrimination can serve as an appeal for stakeholders to provide home ownership opportunities to African American public housing residents
- If properly developed and implemented, this approach would potentially increase the number of African American-owned homes by fifty-seven. It would require major commitments from all individuals, institutions and organizations identified in this study. Charlottesville will benefit by maintaining a truly diverse city and marked improvement in the life chances of former public housing residents.
- In conclusion, deconcentration of poverty can and should be more focused on commitments to increasing public housing resident's educational attainment and economic status in ways that enhance their prospects for home ownership of previously rented public housing units the very places where they reside.

## Future Research

- The for more extensive stakeholder mapping;
- . Future research will center on ways in which similar models have worked for the lowest income residents in other communities. This will include a focus on the pros and cons of community land trusts, as well as a more thorough examinations of funding sources;
- More research on places that have enacted successful public housing conversion programs;
- Addition research also needs to be done on seeing how a comprehensive plan for post-secondary education for public housing residents. An essential elements would include remedial education, pointing residents to associate degrees that offer the prospects of upwardly mobile professions. This would require major commitment of resources from public housing residents, PVCC and the University of Virginia;
- The search for private interests that have funded similar programs in other urban communities;
- A search for individuals and organizations to provide financial and mental health counseling;
- I would like to conduct (pitch) pilot presentations of this proposal

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