

Creating a Solid Foundation for the Housing Construction Component

Basic Considerations as You Start Your YouthBuild Program

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Introduction

The construction of a house provides an activity and a product that is essential to the success of a YouthBuild program. Construction benefits both the YouthBuild participants and their community. For the young people, the construction component offers many immediate and tangible results. Often an analogy is made between building a home and rebuilding one's life: start from scratch; build a solid foundation; and create an important, purposeful structure. For the community, affordable housing fills a vital need, and residents soon see proof that YouthBuild participants are committed to changing their neighborhoods and their lives.

However, creating affordable housing in rural communities presents a number of challenges for YouthBuild programs. For example, fewer housing dollars flow to rural communities from public and private agencies, making funding a construction component difficult. Finding project partners and building community collaborations can also be a struggle due to the lack of organizations working on affordable housing in rural areas, and the small number of skilled tradespeople available to complete the work.

Although the obstacles to a strong construction component may initially seem daunting, rural YouthBuild programs can develop successful affordable housing for their communities and become active community-development resources for their regions. Careful planning, positioning the program within the region's community economic development dialogue, and thoughtful partner selection are some of the key activities that will ensure a solid foundation for a strong and sustainable construction component.

Getting Started

Deciding to build a home is the easy part. Identifying useful resources and sorting through the ocean of information on homebuilding is more difficult. Programs should take and internalize the information they need and leave the rest for a later time. Newer programs should start small and learn the ropes of affordable housing first.

To learn homebuilding basics, consider signing up for a class. The Neighborhood Reinvestment Corporation offers classes throughout the country quarterly or at its annual institute. Ask your state

housing finance authority about trainings through local or regional U.S. Department of Housing and Urban Development (HUD) offices. Or contact a YouthBuild USA technical assistance provider about other housing intermediaries that offer training.

When planning the construction project, keep in mind the program's organizational vision, mission, staff skill levels, training needs, and current capacity. Identify a planning team and begin to brainstorm answers to the following questions:

- What is the basic construction plan?
- How can the construction plan be innovative and address a rural need?
- What resources are available?
- Does an identified growth market exist?
- Who can champion the initiative with us?
- Does the program have the ability to complete an effective housing project, taking into consideration staff size and expertise?
- What are at least two sources of actual funding that can be combined or leveraged for the project?
- Can the tasks and timeline be diagramed in a flow chart?
- What are the positive outcomes for the youth, staff, and program?

Building a home cannot be done in a vacuum. A number of people and organizations will be needed in the effort, including local, regional, or state officials who work on community economic development planning. Meet with them and share your ideas, ask how the YouthBuild project can fit into the community economic-development plans for your area, and invite them to help with your project.

Fueling Community Economic Development

Homebuilding can be an important part of a community's economic development strategy. Building decent, affordable rural housing not only

improves the lives of people who need homes, it also benefits the local economy. Rural housing can stimulate job creation because it requires the services of many people and products from a variety of industries. Land development often involves architects, lawyers, financiers, engineers, plumbers, electricians, and other consultants. Additionally, materials for the construction project will often come from local businesses. Once the home is owner-occupied, the owners continue to fuel the economy by paying taxes and purchasing goods such as furniture and appliances.

Building homes in rural communities makes sense for YouthBuild for a number of reasons beyond economics. The exodus of youth from a rural area is an issue related to both community and economic development. Young people often leave the rural community in search of affordable housing and job opportunities. YouthBuild offers young people the training necessary to develop the skills that will place them in the forefront of growth for a rural region, thus keeping them in the community. Additionally, rural construction has historically had issues related to the quality of (or the lack of) infrastructure throughout entire communities. And over the years funding for rural-housing programs has decreased sharply while the need has increased.

A YouthBuild program can impact local rural community development by:

- Increasing the amount of affordable housing units,
- Improving the quality of rural homes,
- Increasing the number of skilled tradespeople,
- Creating and supporting more entrepreneurs,
- Contributing to local prosperity at all income levels, and
- Building the capacity of rural nonprofit partners.

Through the act of homebuilding, YouthBuild becomes a part of a community's economic development and future success.

Finding a Partner

A successful construction component includes the collaboration of community partners. Examples of the role partners can play in the project include:

- Providing a worksite for the young people (such as those provided by Habitat for Humanity or a Community Development Corporation),
- Managing the financing and selling of the completed project,
- Cooperating on larger projects such as multiple housing units and residential developments,
- Providing resources and funding,
- Carrying the liability,
- Offering specialized training such as plumbing or electricity,
- Creating opportunities for construction-related community service, and
- Sponsoring internships or job placement for program graduates.

Identify key stakeholders in your community, including individuals, groups, businesses, organizations, or government departments or programs that share your goals and support your mission. Make a list of potential partners and identify why they would want to work with YouthBuild. Write out the pros and cons of working together, and consider how the partnership could affect various aspects of the project, such as the timeline, youth supervision, staff hiring, and the final disposition of the home to a low-income buyer.

Partnerships are dynamic; always think about expanding the parameters of the relationship. One example of a strong community partnership is the ISUS YouthBuild program in Dayton, Ohio. ISUS identified a “YouthBuild Champion” in the community development department of the city. The department provided many of the services for the YouthBuild program, namely:

- Acquiring tax delinquent properties,
- Transferring requested city-owned properties to ISUS,

- Creating a City of Dayton–ISUS development contract,
- Bidding on properties with ISUS,
- Waiving demolition fees,
- Restoring an alley,
- Deeding streets,
- Providing technical assistance on proposals,
- Offering tax abatement for new homebuyers,
- Obtaining funding,
- Eliminating red tape,
- Transferring HUD property,
- Advocating and promoting the program within the city,
- Waiving or reducing permits and fees,
- Reviewing resubmissions of building plans,
- Zoning overlays for buildings,
- Coaching and advocating to get things done within the city,
- Giving a grant for a pocket park,
- Providing sanitation trucks for special community clean-up days.

As a result, the ISUS YouthBuild program takes these resources seriously and works hard to repay the partnership to make it a win-win collaboration. From the start, ISUS wanted to create a strong partnership so that both sides would feel good about continuing the relationship.

How did ISUS do it? ISUS had recently purchased some lots on a particular street in a section of Dayton needing revitalization. One of the lots was down the street from the lot where the Orville and Wilbur Wright homestead originally stood. The original Wright house had been moved to Michigan; ISUS staff went there to blueprint the house. Crews replicated the home on the ISUS lot. When the house was finished, a huge celebration and ribbon cutting took place, with President George W. Bush invited to do the honors. This helped get the city on board, and assured ISUS a place in the community’s overall economic-development strategy.

In this case, the identification of a city construction partner was a brilliant move. The

project’s success demonstrates the value of carefully identifying a construction partner from the start. To get started, a program might want to call existing YouthBuild sites that have partnerships like those it wishes to cultivate, then interview these sites and ask about their experiences and lessons learned. The information from other YouthBuild sites could help programs establish solid partnerships early on and avoid common pitfalls.

Sustaining a Program

Plenty of challenges will come up when a program tries to sustain a rural construction project. Some of the main difficulties arise simply because sustaining a construction plan is a long-term task, and programs will encounter numerous physical challenges when building in rural communities. Soliciting and receiving funding from faraway locations can also create barriers to a program’s sustainability. The key to overcoming these challenges is thoughtful planning.

Here are some questions to think through while creating your plans:

| Challenge | Questions that address the challenge |
|--|---|
| Relying on non-local funding | <p>How do we develop a relationship with funders from a distance?</p> <p>How do we cultivate more local funding?</p> <p>How do we strategically and skillfully respond to providers of state and federal funds in order to obtain more funds?</p> |
| Sustaining a long-term construction program | <p>How can we develop and follow a reliable long-term sustainability plan?</p> <p>Who can negotiate strong partnerships?</p> <p>Who is good at grant procurement?</p> <p>What is the minimum funding and partnership necessary to operate?</p> |
| Overcoming adverse physical conditions | <p>How can we afford to appropriately clothe and outfit our youth for the elements?</p> <p>How do we measure their skills?</p> |

Identifying Construction Funds

A number of resources exist for funding the construction component of a project. Here are some places to start:

U.S. Department of Agriculture (USDA) Self-Help funds can pay for construction with sweat equity from the homebuyer.

www.rurdev.usda.gov/sd/self-help_housing_loans.htm

Community Housing Development Organization (CHDO) funds offer set-aside housing and operational funds for designated housing organizations.

www.hud.gov/offices/cpd/affordablehousing/training/chdo/index.cfm

U.S. Department of Housing and Urban Development (HUD) funds some YouthBuild programs to develop a community development corporation as part of the program. Contact the YouthBuild Rural Initiative Coordinator to learn more.

HOME funds (through HUD) provide construction funds for residential buildings.

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm>

Housing Trust Funds (HTF), which vary programmatically and financially by state, can be researched through policylink.org.

policylink.org/EDTK/HTF

USDA Housing Preservation has funds for weatherizing and repairing existing homes.

www.rurdev.usda.gov/rhs/mfh/brief_mfh_hpg.htm

Low Income Housing Tax Credits (LIHTC) are available annually through states. These usually require partners, gap funding, and support services, and are very competitive funds.

www.hud.gov/offices/cpd/affordablehousing/training/lihtc/index.cfm

Federal Home Loan Bank funds come through your local Federal Home Loan Bank. Affordable housing funds are excellent for larger projects but do require support from a member bank.

www.fhlbanks.com

The National City Mortgage Company partners with community development organizations to provide a variety of financing options. They have mortgage loan products collectively known as HomeAtLast to help borrowers and housing developers.

www.nationalcitymortgage.com or
www.nationalcity.com/Personal/mortgages/homeatlast/default.asp

Other federal funding opportunities exist through Fannie Mae, Freddie Mac, the Environmental Protection Agency, Community Development Block Grants, HOPE VI (in coordination with Housing Authorities to revitalize public housing), the U.S. Department of Health and Human Services, and the Farm Worker Housing Fund.

Conclusion

Building homes in rural areas provides YouthBuild programs an opportunity to impact individual lives and community development. It addresses the issue of youth exodus from a community and can give a rural area hope for the future. It gives young people a chance to create better, more affordable housing, develop real skills and relationships, and positively impact their community. Funding the construction component is challenging but not impossible. There will be tangible outcomes. Good

planning, an understanding of how homebuilding relates to community economic development strategies, and strong relationships will see you through.

Additional Resources

Publications

Low-Cost Wood Homes for Rural America: Construction Manual

By L. O. Anderson

Prepared by the Forest Products Laboratory of the U.S. Forest Service

Creating Affordable Rural Housing with Services, Options and Strategies

By the Maine Rural Health Center (April 2000)

A PDF version is available on the National Agricultural Library's Rural Information Center Web site, www.nal.usda.gov/ric/

Opening Doors

Quarterly newsletter of Opening Doors, a housing initiative for the disability community

www.c-c-d.org/intro_page.htm

Rural Housing and Access Across America: A Credit Union Perspective

By Dennis Dollar (Speech delivered at the National Rural Housing Summit, June 2003)

The PDF is available at www.ncua.gov/news/speeches/2003/Dollar03-0616.pdf.

National Housing Organizations

National Neighborhood Housing Network

www.nhnh.org

Housing Assistance Council

www.ruralhome.org

National Rural Development Council

www.nrhweb.org

Rural Community Assistance Corporation

www.rcac.org

HOME program

www.hud.gov

Rural Information Center

www.nal.usda.gov

National Rural Housing Coalition

(Nonprofit developers fight for better housing and community facilities for rural and low-income)

Rural LISC

Neighborhood Reinvestment Corporation

Partner with a Neighborworks Network

Help package with material on housing development, homebuyers education, rehabilitation, down payment assistance, and financing

Federal Home Loan Bank System

AHP programs

Community Reinvestment Act (CRA)

Under the nation's fair housing laws, banks must lend in underserved neighborhoods

Rural and Cooperative Development Service

USDA

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