

## POTENTIAL SOURCES OF FUNDING FOR HOUSING MOBILITY COUNSELING PROGRAMS

Many public housing agencies (PHAs) are reluctant to invest in housing mobility programs because of the perceived cost, and cite the recent reductions in Section 8 administrative fees as a further disincentive to providing “extra” services to voucher families. However, HUD program rules already require a basic minimum level of mobility services to voucher families, and additional mobility services can be funded through other HUD programs. Some of the most important potential funding sources for housing mobility services are set out below:

**CDBG:** A portion of a jurisdiction’s Community Development Block Grant funds may be used to fund housing mobility programs, as part of the city or town’s commitment to “affirmatively further fair housing.” This option is available to virtually every PHA running a significant Section 8 voucher program, but requires coordination and cooperation with the city’s housing department. CDBG grant funds can also be allocated to local fair housing organizations or other non-profit housing agencies engaged in housing mobility activities.<sup>1</sup>

**MTW:** The “Moving to Work” program permits a select group of PHAs flexibility in pooling their various program funds and waiving selected HUD program regulations, to encourage innovation.<sup>2</sup> One of the three statutory purposes of the MTW program is to “increase housing choices for eligible low-income families.” Although there have been efforts to develop small housing mobility programs in some MTW cities, there is little evidence that the program has been used for this purpose in most of the 31 participating agencies. This year, a new MTW request for proposals soliciting four new PHAs to the program explicitly includes a housing mobility demonstration as one of the two eligible application priorities.<sup>3</sup>

**RAD:** The new “Rental Assistance Demonstration” was authorized by the Consolidated and Further Continuing Appropriations Act of 2012.<sup>4</sup> RAD will allow public housing authorities and owners of Section 8 Moderate Rehabilitation projects to voluntarily convert their funding assistance to either project-based vouchers (PBV) or project-based rental assistance

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<sup>1</sup> 24 C.F.R. 570 (1982); see also U.S. DEP’T OF HOUS. & URBAN DEV, Basically CDBG Course Training Manual, available at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/communitydevelopment/training/basicallycdbg](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/training/basicallycdbg); see also 24 CFR 570.201(e) (stating housing mobility counseling services can be characterized as “program administrative costs” or “public services costs,” subject to a maximum cap of 20% and 15% of total CDBG expenditures, respectively.)

<sup>2</sup> U.S. DEP’T OF HOUS. & URBAN DEV., Moving to Work program site, [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/programs/ph/mtw](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/mtw) (last visited July 31, 2012) (MTW was authorized by section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, Pub.L. 104-134, 110 Stat. 1321).

<sup>3</sup> U.S. DEP’T OF HOUS. & URBAN DEV., Notice PIH-2012-16 (Feb. 27, 2012).

<sup>4</sup>Public Law 112-55, <http://portal.hud.gov/hudportal/documents/huddoc?id=HR-2112-RAD-Language.pdf>

(PBRA). Additionally, tenant protection vouchers may be converted to project-based vouchers. The RAD program guidelines incorporate existing choice mobility rules for project based vouchers as set out in 24 C.F.R. § 983.260, and provide that PHAs that are applying to convert the assistance of a project to PBRA are required to provide choice-mobility options to residents of covered projects, though PHAs may limit the frequency of choice-mobility moves.<sup>5</sup>

**CNI:** The Choice Neighborhoods Initiative is a comprehensive approach to public housing redevelopment that includes improvements in other nearby housing, public schools, transportation and access to jobs. In 2012 the Choice Neighborhoods Implementation Grants Notice of Funds Availability announced approximately \$110 million available for awards. Choice Neighborhoods expressly requires housing mobility counseling and housing search assistance for residents displaced as a result of the public housing redevelopment process.<sup>6</sup>

**SCI:** The Sustainable Communities Initiative is designed to support “regional planning efforts that integrate housing and transportation decisions, and increase state, regional, and local capacity to incorporate livability, sustainability, and social equity values into land use plans and zoning.” While SCI planning grants do not provide direct funding for housing mobility counseling program expenses, they are required to include efforts to affirmatively further fair housing, which may support the development of such programs through the regional planning process.<sup>7</sup> If housing mobility counseling is incorporated into the final SCI regional plan, this will increase the likelihood of eventual funding.

**HUD Housing Counseling program:** The HUD Housing Counseling program is primarily known for homeownership and foreclosure counseling, but eligible agencies may also receive funds for renter counseling, including counseling for Section 8 families.<sup>8</sup> This can be a valuable source of support for housing mobility counseling agencies, and PHAs should also consider partnering with existing HUD housing counseling agencies in their area to see if Section 8 mobility counseling could be included in the services provided by the counseling agency.<sup>9</sup>

**The Fair Housing Assistance Program (FHAP):** The FHAP program is a highly flexible program at the HUD Office of Fair Housing that is generally used to fund state and local government human rights agencies.<sup>10</sup> However, the program rules encourage state and local

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<sup>5</sup> U.S. DEP’T OF HOUS. & URBAN DEV., Notice PIH-2012-32 (July 26, 2012).

<sup>6</sup> U.S. DEP’T OF HOUS. & URBAN DEV., FY2012 NOFA for the Choice Neighborhoods Initiative - Implementation Grants at 19 (2012). <http://archives.hud.gov/funding/2012/choiceni.pdf>

<sup>7</sup> See U.S. DEP’T OF HOUS. & URBAN DEV., FACT SHEET ON HUD’S SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM (2010), available at <http://portal.hud.gov/hudportal/documents/huddoc?id=regionalNOFA.pdf>; U.S. DEP’T OF HOUS. & URBAN DEV., FR-5396-N-03, NOTICE OF FUNDING AVAILABILITY (NOFA) FOR HUD’S FISCAL YEAR 2010 SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM 3-4 (2010), available at <http://www.hud.gov/offices/adm/grants/nofa10/scrpgsec.pdf>.

<sup>8</sup> 24 CFR Part 214 (2007).

<sup>9</sup> A full list of HUD approved housing counseling agencies can be found at <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm> (last visited July 30, 2012) (last visited July 30, 2012).

<sup>10</sup> U.S. DEP’T OF HOUS. & URBAN DEV., Fair Housing Partners, available at: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/partners/FHAP](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/partners/FHAP) (last visited July 30, 2012).

agencies to “work in partnership with local groups.”<sup>11</sup> In the past, FHAP has been used to support housing mobility programs.

Additional potential sources of support for housing mobility programs (or parts of programs) may include the **Fair Housing Initiatives Program (FHIP)**,<sup>12</sup> the revised **Small Area FMR Demonstration**,<sup>13</sup> local foundation grant support, state government funding, and litigation settlements. If your program has funding support from other sources not listed here, please let us know! (egayles@prrac.org)

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<sup>11</sup> *Id.*

<sup>12</sup> .S. DEP’T OF HOUS. & URBAN DEV., Fair Housing Initiatives Program, available at: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/partners/FHIP/fhip](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/partners/FHIP/fhip) (last visited July 30, 2012).

<sup>13</sup> .S. DEP’T OF HOUS. & URBAN DEV., Section 8 Housing Choice Voucher Program – Demonstration Project of Small Area Fair Market Rents, Docket No. FR-5413-N-01 (2011); *see also* .S. DEP’T OF HOUS. & URBAN DEV., FY2012 Hypothetical Small Area FMRs [http://www.huduser.org/portal/datasets/fmr/fmrs/index\\_sa.html](http://www.huduser.org/portal/datasets/fmr/fmrs/index_sa.html) (last visited July 30, 2012).