

An Affordable Housing Success Story

From Valley Homes to Villas of the Valley

By MICHELLE DILLINGHAM
CONTRIBUTING WRITER

One of the policy goals Affordable Housing Advocates (AHA) set for 2010 was to increase the amount of affordable housing. Unfortunately, we have found many of our advocacy efforts have been directed simply towards trying to preserve the affordable units we have.

Kelan Craig of the Coalition on Homelessness and Housing in Ohio chairs a recently created Preservation Subcommittee for AHA, which meets to discuss affordable-housing preservation issues, specific buildings of interest and strategies for preserving at-risk properties. He recently posted an article on the AHA Listserv called "Neighborhood Stabilization Program (NSP): Innovative Development Strategies for Very Low-Income Housing," published by the National Housing Law Project. Based in Oakland, Calif., the National Housing Law Project was established in 1968. It publishes research on housing law and policy issues, and its mission is to advance housing justice for low-income people. The article highlights the Valley Homes Housing in Lincoln Heights as an example of innovative uses of Neighborhood Stabilization Program funds.

In response to the nation's foreclosure crisis, Congress signed into law the Housing and Economic Recovery Act in 2008. Title III of that act created the Neighborhood Stabilization Program (NSP) and granted \$3.92 billion dollars for emergency assistance to states to redevelop abandoned and foreclosed homes. The Recovery Act added an additional \$2 billion in NSP funds, known as NSP2, which was allocated using a competitive grant process.

One rule of using NSP funding is that grant recipients must put 25 percent of their funds into

uses that actually result in housing units to be occupied by very low-income households. When I worked at City Hall, a member of Cincinnati City Council suggested NSP funds be used to build a new police station in Price Hill. Of course, the administration informed him this was not an allowable use of the money.

Hamilton County is using NSP funds for the demolition and re-development of Valley Homes Housing in Lincoln Heights. The new housing development will be named, "Villas of the Valley."

Valley Homes was built as a temporary home for African-American workers at the Wrights Aeronautical Plant during World War II and was only meant to house families for six years. Fifty buildings were built in townhouses made up of four to eight units, which totaled about 300 homes. In 1953 a residents' cooperative purchased Valley Homes from the federal government.

The National Housing Law Project publication provides a very informative and detailed account of the Valley Homes history and the subsequent events leading to the NSP funding to re-build Valley Homes. I found this history intriguing and I encourage Streetvibes readers to read the full report.

For brevity's sake, we fast-forward to 2005, when the cooperative owed more than \$200,000 in utility bills and the complex's garbage service was cut off for non-payment. With the help of the Legal Aid Society, a low-income developer took over management and worked with the Model Group, which agreed to redevelop Valley Homes by utilizing NSP funds to provide critical gap-funding.

When Phase I is completed, Villas of the Valley will be 42 two-bedroom cottages for seniors. Thirteen of these will be for very low-income households. Phase II will be 35 townhomes with no age limits, five multi-family units and three or four single-family homes that will be available for purchase.

Interestingly the article notes the original

design included more units that would have included 65 senior accessible cottages. This new configuration required the approval of the zoning commission, but two of the seven members of the zoning commission refused to meet to approve this plan, so the developer was forced to move forward with a reduced plan of 42 accessible units. Again political resistance to the development of low-income housing development rears its ugly head.

Success in the case of Valley Homes is attributed to the developer's initiating a series of community meetings and showing integrity throughout the process, thereby earning public trust. It also demonstrates the incredible tenacity needed. In order for this all to work, the developer had to pull together NSP funding along with a half-dozen other funding sources. Cobbling together enough funding to support affordable housing development can be extremely complicated, but it is possible.

For more information, visit the National Housing Law Project at www.nhlp.org. For a link to the NSP article, contact Michelle Dillingham, AHA project coordinator, at mdmswlsu@hotmail.com.

