

CHAPTER 3. FUNDING OPPORTUNITIES FOR COMMUNITY HOUSING
RESOURCE BOARDS

- 3-1. INTRODUCTION. CHRBs must have sound financial support to effectively help HUD and local housing industry groups implement the goals of the VAMA. This support can come from a variety of sources, including fair housing grants from HUD, Community Development Block Grants, Job Training Partnership Act, private foundations, businesses, United Way, ACTION, individuals, and innovative fund-raising activities. Section 3-2 of this chapter will discuss each funding source and methods for assessing the funding source.

When sources of possible funding are identified, the CHRb must develop a successful funding proposal. The steps include identifying the sources, making contact with the source, obtaining and reviewing funding application guidelines, developing the proposal and following up on the proposal. The last section of this chapter provides information on how to carry out each of these steps.

The elements of a successful effort to obtain funding include careful research of the funding source's interests and past activities, making contacts with key officers of the funding source, and thinking through and developing the proposal or request for funding.

Once funds are received, the CHRb is required to use the money effectively to help implement the VAMA and assure accountability to the funding source and to HUD for its use.

3-2. SOURCES OF FUNDS FOR CHRBS.

- a. Fair Housing Grants. Each year, HUD provides funds in the form of grants to a number of CHRbs. Funding is granted to CHRbs on a one-year, start-up basis for them to become operational and self-sustaining. CHRbs are encouraged to seek funds from other sources during the grant period as well as after the grant period.

The applicant must be a CHRb consisting of HUD-appointed representatives. The CHRb members must represent local organizations and agencies dedicated to equal housing opportunity and formed to fulfill HUD's obligation to provide technical assistance to local housing industry groups such as real estate boards. The CHRb must have been in existence at least six months prior to the issue date of each Notice of Funds

Availability published in the Federal Register, and must foster the implementation and monitoring of progress under the VAMA.

Projects that are eligible for CHRB grant funding must be part of workable strategies to support the goal of the VAMA. Such projects must be directed at one or more of the following areas:

- (1) Making information public regarding fair housing and the VAMA;
- (2) Assessing community fair housing needs;
- (3) Assessing the effectiveness of the VAMA;
- (4) Expanding minority involvement in the housing industry;
- (5) Expanding public awareness of housing opportunities in the community; and
- (6) Developing cooperative solutions to problems associated with the implementation of the VAMA.

Funds may also be used to cover the operating costs associated with the specific funded activities of the CHRB program. However, priority consideration is given to proposals that contain plans to use the majority of their funds for program costs rather than for administrative costs such as salaries and/or rent.

CHRBs may not use grants for "testing" activities related to the purchase or rental of housing.

- b. Community Development Block Grants. The Community Development Block Grant (CDBG) Program provides annual grants on a formula basis to large urban areas, States, and other jurisdictions. The primary objective of the program is to provide decent housing and a suitable living environment and to expand economic opportunities, principally for low and moderate-income persons in urban communities. CHRBs may use CDBG funds for counseling and other activities that promote fair housing. Grants are awarded to communities to carry out activities which either benefit low and moderate-income persons; to aid in the prevention or elimination of slums and blight; or, to meet other community development needs having a particular urgency because

community.

Communities develop their own programs and funding priorities. However, grants must give priority to activities which either benefit low and moderate-income persons or aid in the prevention or elimination of slums and blight. In addition, activities may be carried out which the community certifies are designed to meet other community development needs of particular urgency, because existing conditions pose a serious and immediate threat to the health or welfare of the community whether or not other financial resources are available to meet such needs.

CHRBs may seek CDBG funds for administrative costs under 24 CFR 570.206(c), for planning costs under Section 570.205(a)(4)(vii), or as a provider of a public service under Section 570.201(e).

- (1) Eligible Activities. Some of the specific activities that can be carried out with block grant funds include the acquisition of real property; relocation and demolition; rehabilitation of residential and nonresidential structures; provisions for public facilities and improvements, such as water and sewer facilities, streets, and neighborhood centers; and the conversion of schools for eligible purposes. Block grant funds also are available to pay for public services within certain limits, and for activities relating to energy conservation and renewable energy resources.
- (2) Ineligible Activities. The following types of activities are generally ineligible:
 - 0 Municipal building,
 - 0 Political activities,
 - 0 Income payments, and
 - 0 Construction of new housing and other facilities offering 24-hour care.
- (3) Additional Information. For additional information, including application procedures, contact your city or county agency administering

agency administering the State program or your local HUD Office which administers the small cities program.

- c. General Revenue Sharing Program. Congress created Revenue Sharing with the passage of the State and Local Fiscal Assistance Act of 1972. Revenue Sharing was originally conceived as a way of sharing the Federal income tax with State and local governments which traditionally have had to depend on more regressive taxes. Its major purpose is to disburse Federal assistance to governments with maximum flexibility on use, permitting recipients to determine the programs and activities where the money is most needed.

The General Revenue Sharing Program (GRSP) involves more than 39,000 local governments. Recipients may spend Revenue Sharing funds for any purpose which is a permissible use of the government's own revenues under its State and local laws. Of course, CHRBs must use the funds to help the housing industry implement the VAMA. Community participation, including application for funds by community-based groups such as CHRBs, is encouraged. If your CHRB decides to seek Revenue Sharing funds, the following points should be considered:

- (1) State, county, and local governments receive Revenue Sharing funds. Each of these levels of government must hold Revenue Sharing public hearings before setting this money aside for special uses. You can state your concerns about the use of Revenue Sharing money to the responsible officials at each government level; however, to take full advantage of these opportunities, you must understand how each government process works.
- (2) You must be aware of your government's budget calendar. You should also know which items are required to be stated in the budget and which government officials are responsible for assembling the budget. Key points in the budget calendar may include when proposal submissions are due, local governing board meeting dates, hearing dates, when proposals will be awarded, and the period when public comments may be made.

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- (3) Your government may be required to publish an annual report. If so, the report will contain information about the government's financial

status and organization. Interested CHRBs may find the report helpful in discovering program funding trends.

- d. The Job Training Partnership Act Program. The Job Training Partnership Act (JTPA) provides job training and related assistance to economically disadvantaged individuals, dislocated workers, and others who face significant employment barriers. The ultimate goal of the JTPA is to place more trainees into permanent, self-sustaining employment. JTPA programs are administered at the State and local government level.

Training activities allowable under the Act which should be of interest to CHRBs include:

- (1) Institutional skill training;
- (2) Programs of advanced career training which provide a formal combination of on-the-job and institutional training and internship assignments which prepare individuals for career employment;
- (3) Outreach to make individuals aware of, and to encourage the use of, employment and training services;
- (4) Supportive services necessary to enable individuals to participate in the program and to assist them for not more than six months in retaining employment following completion of training;
- (5) upgrading and retraining;
- (6) Work experience;
- (7) Follow-up services with participants being placed in unsubsidized employment; and
- (8) Customized training conducted with a commitment by an employer to employ a trainee upon successful completion of the training.

Job Training Partnership Act programs are administered at the State and local level by units of government

with the assistance of Private Industry Councils (PICs). Members of PICs are appointed by local elected officials to plan job training and employment programs at the local level. CHRBs should identify the JTPA administrator and/or PIC chairperson in their area and

secure information regarding local funding application procedures for subgrantees.

The local government information desk should be the first source utilized in the identification of these individuals.

- e. Foundations. A foundation is a nongovernmental, nonprofit organization with funds and programs managed by its own trustees or directors, which was established to maintain or aid social, educational, charitable, religious or other activities serving the common welfare; primarily by making grants to other nonprofit organizations.

Most foundations are small, locally oriented, and have little or no full-time staff. Larger foundations usually have full-time staff, publish annual reports, and give larger grants.

Foundations usually consist of four basic types. They include: an independent foundation; a company sponsored foundation; an operating foundation; and a community foundation. Each type is described below:

- (1) Independent Foundation: A fund or endowment designed under the Internal Revenue Services law as a private foundation whose primary function is the making of grants.

The assets of independent foundations commonly come as gifts from an individual or family. Many such foundations function under the voluntary direction of family members and are known as "family foundations." Others may bear a family name but have independent boards of trustees and are managed by professional staffs. Some independent foundations use the words fund, trust, corporation, or endowment in their names, but this usage implies no difference in function or law.

Typically, independent foundations have broad charters but in practice limit their giving to a few fields of interest; however, they move into

new fields in response to changing social priorities.

- (2) Company-Sponsored Foundations: A private foundation under the tax law that derives its funds independently. Its purpose is to make grants, usually on a broad basis, although not

without regard for the business interests of the corporation. Officers of the company as well as persons not affiliated with the company may serve on the board. Company-sponsored foundations should be distinguished from corporate-giving programs which are administered within the corporation. The latter may make grants for limited purposes closely associated with the interests of the corporation, although this is not always the case.

These two types of foundations are often coordinated under a general policy. In other cases, a private foundation bearing a name associated with a corporation may have few, if any, ties with the original source of funds, and is, therefore, an independent foundation.

- (3) Operating Foundation: A fund or endowment designated under the tax law by the Internal Revenue Service as a private foundation whose primary purpose is to operate research, social welfare, or other programs determined by its governing body or charter of establishment. Some grants may be made externally but the sum is generally small relative to the funds used for the foundation's own programs.
- (4) Community Foundation: In its general charitable purpose, a community foundation is much like many private foundations, but it has special characteristics. Its funds are derived from many donors rather than a single source, as is usually the case with private foundations. Investments are often managed by trustee banks. Grant programs almost always are directed toward the immediate locality or region. The governing board is broadly representative of the community it serves. The community foundation offers a way of preserving the identity of a named fund, considerable freedom to designate areas of giving, central administration, and continuity of leadership.

Community foundations may appear to be similar to federated giving programs such as the United Way. However, community foundations are different in that they encourage or manage funds which are held separately or as part of a general fund, and are maintained as a permanent endowment.

Federated giving programs traditionally make annual appeals for funds which are not retained in

an endowment and are used primarily for the ongoing support of agencies providing direct services in a community.

- f. **Businesses, Individuals.** CHRBs should also consider appealing directly to businesses and individuals for funds. Business leaders and individuals could be invited to become a patron or dues paying member (honorary or official) of the CHRB. In addition, industry groups could be solicited to donate clerical support, office space, supplies, lunches, expert assistance, receptions, publicity, and a variety of other services and non-financial support. The news and entertainment media could also be solicited to provide air time and media space, and legal groups could be solicited to donate services. In other cases, members of the media, bar, and other professionals could be invited to serve on the CHRB.
- g. **Innovative Activities.** CHRBs should engage in innovative funding activities where benefits other than financial community-wide benefits can be gained. For instance, an event can serve as a handle for creating publicity which focuses attention on the CHRB and fair housing. The publicity may further stimulate interest that can be developed into financial support.

In addition, an activity can be a keystone in building a corps of volunteers. Some of these activities may include, but are not limited to, the following:

- (1) Kick-off and awards dinners,
- (2) Annual Balls,
- (3) Bazaars, fairs,
- (4) Celebrity golf and tennis tournaments,
- (5) Fashion shows,

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- (6) Art exhibits,
 - (7) Theater benefits, and
 - (8) Open houses.
- h. **The United Way.** The United Way is a voluntary not-for-profit organization which provides funding for local organizations concerned with human care services. Although each local United Way organization has its own

guidelines, the commitment towards providing information regarding housing opportunities and the removal of equal opportunity barriers based on race, creed, sex, age, and ethnic background makes it a potential candidate for funding. United Ways must meet other funding criteria and they must compete with other organizations for funding.

For additional information regarding the United Way program, including funds availability, application procedures, and eligibility guidelines, CHRBS should contact the United Way organization in their respective jurisdictions.

- i. Retired Senior Volunteer Program (RSVP). The RSVP is a Federal program funded by ACTION, the national volunteer agency. RSVP offers opportunities for older citizens, 60 and over, to use their talents and experience in community service, according to the individual's skills and interests. There are no restrictions on income or hours of service for RSVP volunteers. They also serve without compensation.

RSVP functions at the local level under the auspices of the established community service organization with funding, support, and technical assistance provided by ACTION. Volunteer assignments are:

- (1) Consistent with the volunteer's interests, preferences, availability, and capabilities; and
- (2) Under the direction of the volunteer station (CHRB).

CHRBS interested in obtaining RSVP volunteers should be prepared to describe, in writing, assignments reserved for volunteers, and be prepared to provide supervision and direction to the volunteers. Acceptable assignments include projects, activities, or ongoing

programs involving service to the community, performed either on or outside the organization's premises. CHRBS interested in obtaining additional information regarding the RSVP program or volunteers should contact State or Regional VISTA offices.

RSVP volunteers can fulfill many functions for CHRBS, including administration, fund-raising, publicity, research, legal assistance, and other activities.