HOUSING: A PRACTICAL GUIDE FOR LEARNING, ADVOCATING AND BUILDING
As we write this letter, the United States faces a looming crisis in housing, the second in barely more than a decade. The job losses and other economic impacts of the COVID-19 pandemic have many of us facing increased risk of eviction and foreclosure; at the same time, there is a marked shortage of available housing within reach for most Americans. We write this knowing, too, that the problems of homelessness and housing insecurity are ongoing. Solving them means developing sustainable solutions for the long term, rather than temporary fixes for a current crisis.

Policymakers are coming to realize what faith communities have understood from their practices for decades — that housing is a fundamental human need, intrinsically interconnected with hunger, employment, health outcomes and many other issues. Today's wages have not kept up with the cost of living, and our public policies have not kept up with the needs of those experiencing economic hardship. As followers of Christ, we must remember that our shared story of faith begins with a family in need of shelter and a community stepping up to meet that need. And in the Lutheran tradition, we recognize our calling to be a public church — one freed to engage with and be a meaningful presence in the world, to share the good news of Christ, rather than one detached from the realities of our communities. Our biblical ancestors experienced God's hospitality and care as they fled slavery in Egypt, and the people of Bethlehem made room for a pregnant Mary and her family. So are we, as God's church, especially called to be a presence of hope, safety, security and justice for our neighbors.

Is not this the fast that I choose: to loose the bonds of injustice, to undo the thongs of the yoke, to let the oppressed go free, and to break every yoke? Is it not to share your bread with the hungry, and bring the homeless poor into your house; when you see the naked, to cover them, and not to hide yourself from your own kin?

—Isaiah 58:6-7
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All too often, prejudice leads communities, including communities of faith, to view people experiencing homelessness as threatening or dangerous and restrict them from services or public spaces. However, loving and serving all our neighbors, as the author of Isaiah insists we must, means moving beyond our pre-judgments — especially people of faith.

As the author of Isaiah notes, we are also called by God to break the bonds of injustice, feed the hungry, house the homeless and meet the needs of any of our kin. So be bold, step outside your comfort zone and dare to love in the same way God first loved us — in abundance and without prejudice! God is already at work with those of us experiencing homelessness or lack of affordable housing. How will you heed God’s call and walk alongside your neighbors?

We hope this resource will give you the tools and confidence to act boldly as you address homelessness and affordable housing with and among your communities.

May the peace of Christ accompany you and your neighbors on this journey.

Brooke De Jong
Program Assistant, Hunger Education
ELCA World Hunger

Andrew Fuller
ELCA Program Director for Housing and Human Needs
ELCA Advocacy
ABOUT THIS RESOURCE

This resource is for congregations concerned about homelessness and affordable housing. For congregations new to this work, this resource will provide step-by-step guidance on how to build awareness and capacity around the root causes of homelessness, how to become an advocate for affordable housing and people experiencing homelessness, and, finally, how to build affordable housing. For congregations already involved in this work, the resources in this guide can help with congregation and community education, training new volunteers and refining your current project.

INTRODUCTION

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HOW TO USE THIS RESOURCE

This resource contains three sections: “Learn,” “Advocate” and “Build.”

The “Learn” section contains activities and information to educate congregations and groups about the complex issues of housing and homelessness. If your group is just getting started, use the information and activities in this section to learn more about a wide variety of topics: common myths about homelessness, effective responses to housing insecurity, the historical impact of the discriminatory practice of redlining. This section also introduces common terms used to describe housing insecurity and homelessness.

The “Advocate” section contains information and activities to help participants become effective housing and homelessness advocates. It includes helpful information on the roots of Lutheran advocacy, housing policy, insights from leaders and more.

The “Build” section contains a guide on how to build affordable housing, with helpful information about choosing a team, forming a nonprofit, funding a project and more. There are also checklists of the tasks necessary to create a successful affordable housing project.
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This resource is built on the Housing First model, one of the most effective in addressing housing insecurity and homelessness. Developed by housing and homelessness advocates, the Housing First model was later adopted by the U.S. Department of Housing and Urban Development (HUD) as a policy requirement for grantees because of its effectiveness in ending the cycle of homelessness and poverty.

According to the National Alliance to End Homelessness, the Housing First model is “a homeless assistance approach that prioritizes providing permanent housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life.” In other words, Housing First is a model for work recognizing that we need our basic needs met before we can attend to other things such as employment, life skills, mental health or treatment for addiction. Other models often require people experiencing homelessness to address their problems (including any behavioral health problems) or graduate through a series of service programs (such as substance abuse or spiritual guidance counseling) before they can access housing. By contrast, the Housing First model treats housing as the foundation for life improvement. Support services are offered, but participation is not required because such services are more effective when a person chooses to engage.
The Housing First model calls housing and homelessness advocates to an expansive view of service and God’s grace. It also calls us to an expansive view of “home.” Use the activity below to explore what an expansive definition of home could look like.

**GOAL**
To reflect on the meaning of home and examine personal perspectives of what having a home means.

**MATERIALS**
- Paper
- Markers, crayons or colored pencils
- Internet access

**INSTRUCTIONS**
Begin this short activity by asking all participants to draw their dream home. Give participants about five minutes to draw, then invite everyone to share what they drew and why they drew it. Invite participants to answer the discussion questions.

- What are some similarities between people’s ideal homes?
- What are some differences between people’s ideal homes?
- What does each participant’s “ideal home” reveal about the values that are important to them?
- What things in your ideal home make it feel comfortable and inviting?

Invite participants to look at this international collection of homes from the *Atlantic* magazine:


(Share the link with participants or import the images into a PowerPoint presentation for everyone to view together.)
Some of us and our neighbors with lived experience of homelessness have asked to be called not “homeless” but “neighbors without housing.” While this may seem like a small semantic detail, it’s significant for churches and congregations that are considering working on issues of housing and homelessness. According to the Rev. Violet Little, whose Pennsylvania church has a large housing ministry, these neighbors want to clarify that, though they have no physical houses, they do have a sense of home. They also have a community and a sense of obligation to that community. For them, having a “home” does not always mean having a house.

Each term has its pros and cons and teaches us something different about homelessness. “People experiencing homelessness” reminds us of people’s physical needs. “Neighbors without homes” reminds us that God calls us to be in relationship with everyone in our community. “People experiencing housing insecurity” recognizes that homelessness connects with a wide variety of other social issues such as the cost of housing, people in temporary housing situations and neighbors who may be at risk of eviction or foreclosure. This resource uses the terms “homelessness” and “people experiencing homelessness” to be consistent with other available resources. But your community may have different preferences. So don’t assume — ask. Reach out to your community members to learn about their experiences and preferences.

Q: Which homes stand out to you, and why?

Q: Which homes would you most like to live in, and why?

Q: Which home would you feel most “at home” in, and why?

Read the text below and invite participants into discussion using the questions.

There are many terms for those of us experiencing homelessness. Popular language includes:

“People experiencing homelessness”
“Neighbors without homes” or “people without homes”
“Those experiencing housing insecurity”

What are some similarities between people’s ideal homes?
What are some differences between people’s ideal homes?
What does each participant’s “ideal home” reveal about the values that are important to them?
What things in your ideal home make it feel comfortable and inviting?

Invite participants to look at this international collection of homes from the Atlantic magazine:
www.theatlantic.com/photo/2015/06/unusual-homes-around-the-world/395432/
(Share the link with participants or import the images into a PowerPoint presentation for everyone to view together.)

Which homes stand out to you, and why?
Which homes would you most like to live in, and why?
Which home would you feel most “at home” in, and why?

What is the difference between a house and a home?
What makes a place home?
What can we learn from the neighbors in Rev. Little’s ministry about what constitutes a sense of home?
WHAT IS HOMELESSNESS?

HISTORY OF HOMELESSNESS
How we see housing and homelessness and how we accompany neighbors experiencing homelessness has evolved throughout U.S. history. Until the 1900s, churches, social organizations and local governments were primarily responsible for issues related to housing and homelessness. The government agencies, support and programs we have today did not start to form until the 1930s with the passage of New Deal legislation. For an in-depth review of U.S. housing policy, see this interactive timeline from the U.S. Department of Housing and Urban Development (HUD): [www.huduser.gov/hud_timeline/](www.huduser.gov/hud_timeline/).

TYPES OF HOMELESSNESS
The Department of Housing and Urban Development (HUD) and many homelessness agencies and advocates, such as the National Coalition to End Homelessness, describe four to five types of homelessness, each requiring different kinds of support. Incorporate these basic definitions into your discernment process or educational time with your congregation:

Visible Homelessness
Visible homelessness is the stereotype: a person sleeping on a bench or in a park. Some people experiencing visible homelessness live in tents, cars, shelters or abandoned buildings. Visible homelessness is tracked by HUD in its annual “point-in-time” count of people experiencing homelessness in the United States.

Invisible Homelessness
Invisible homelessness refers to individuals temporarily living in a place without a guarantee that they can stay long-term and with no immediate prospects for acquiring permanent housing. This term often describes people staying with friends or relatives because they lack other housing opportunities. This type of homelessness is considered ‘invisible’ because people experiencing it often do not appear in standard housing statistics. As a result, they do not have access to many local and federally funded support systems and services.

Transitional Homelessness
Transitional homelessness is often characterized as one short episode of homelessness due to a catastrophic event or sudden life change. People experiencing transitional homelessness often use shelters or temporary housing for a brief stay. This is the most common kind of homelessness in the United States. Transitional homelessness can fall under both visible and invisible homelessness.

Episodic Homelessness
According to HUD, episodic homelessness refers to individuals who are currently homeless and have experienced at least three periods of homelessness in the previous year. Youth and young adults are at the highest risk for episodic homelessness. Episodic homelessness can be caused by inadequate access to medical services, employment support or other resources for meeting recurring needs throughout the year. Episodic homelessness can fall under both visible and invisible homelessness.

Chronic Homelessness
According to HUD, a chronically homeless person is “an unaccompanied homeless individual with a disabling condition” who has been continuously homeless for a year or more, or who has had a minimum of four episodes of homelessness in the previous three years. In other words, this person has experienced several cycles of homelessness or a prolonged period of homelessness. Typically, these individuals are older, have complex, long-term health issues and live on the street or in a car, park or other location unsuitable for human habitation. Chronic homelessness can fall under both visible and invisible homelessness, but most chronic homelessness is what we would describe as visible homelessness.

Applying the Definitions
Divide your group into small groups of two or three people. Ask participants to read the short descriptions of living situations below and match each of them with the relevant definition of homelessness. When everyone has finished, reunite the larger group and discuss their choices. You can also complete the entire activity as a single group. Use the key to check your answers.
<table>
<thead>
<tr>
<th>EXAMPLE</th>
<th>TYPE OF HOMELESSNESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>A family have been evicted from their apartment and are living in their car in a mall parking lot.</td>
<td>Episodic Homelessness or Chronic Homelessness, depending on the length of time</td>
</tr>
<tr>
<td>A veteran injured during his service has been living in a city park for the last two years.</td>
<td>Chronic Homelessness: Continuously homeless for a year or more OR having had more than four episodes of homelessness in the last three years</td>
</tr>
<tr>
<td>A teenager who ran away from home six months ago to escape abuse has been couch-surfing with friends ever since.</td>
<td>Transitional Homelessness: Continuously homeless for less than a year due to a catastrophic event or sudden life change</td>
</tr>
<tr>
<td>A couple are currently living in a subsidized apartment while they wait for a more permanent home to be built.</td>
<td>Transitional Homelessness: Continuously homeless for less than a year due to a catastrophic event or sudden life change</td>
</tr>
<tr>
<td>A family of three were unable to pay their rent for the last six months due to costly medical treatment for the child’s illness. They have been evicted and are now living in a shelter until they are placed in subsidized housing.</td>
<td>Transitional Homelessness: Continuously homeless for less than a year due to a catastrophic event or sudden life change</td>
</tr>
<tr>
<td>Due to the high cost of nursing home care, an older individual with no family to support them has been living in a tent community for two years.</td>
<td>Chronic Homelessness: Continuously homeless for a year or more OR having had more than four episodes of homelessness in the last three years</td>
</tr>
<tr>
<td>Due to a chronic illness that results in long hospital stays and too much missed work, a young adult has been let go from three jobs over the past year and a half. The lost wages have resulted in eviction and multiple short-term stays in a shelter.</td>
<td>Episodic Homelessness: Currently homeless and having experienced at least three periods of homelessness in the previous year</td>
</tr>
<tr>
<td>A university student has been working a minimum-wage job to cover college expenses. However, they are still unable to afford housing and have been living in their car and occasionally with friends.</td>
<td>Episodic Homelessness or Chronic Homelessness, depending on the length of time</td>
</tr>
<tr>
<td>A mother and two children have been living in the spare room of a friend’s house since the mother lost her job a year ago.</td>
<td>Chronic Homelessness: Continuously homeless for a year or more OR having had more than four episodes of homelessness in the last three years</td>
</tr>
<tr>
<td>A family have lost their home to a forest fire and must live in a shelter for a short period while they wait for temporary housing to be set up and apply for support from the Federal Insurance and Mitigation Administration (FIMA).</td>
<td>Transitional Homelessness: Continuously homeless for less than a year due to a catastrophic event or sudden life change</td>
</tr>
</tbody>
</table>
MYTHS ABOUT HOMELESSNESS

One of the biggest obstacles to effective, sustainable responses to homelessness is the lack of accurate information about what homelessness is and who experiences it. Below are some common myths — and facts — about homelessness.

MYTH | A single-family home is ideal for everyone.

FACT | A traditional home is not for everyone. Not owning a home allows for flexibility, savings on maintenance costs and more. Renting is increasingly a more viable option for many. Additionally, some who have experienced chronic homelessness or experience more health-related issues may need more than just a home. They may need a community and access to additional support.

MYTH | Homelessness is an individual problem, not a community problem, and is related to individual choices.

FACT | In Disrupting Homelessness: Alternative Christian Approaches (2011), Laura Stivers notes that the number of homeless people in the United States correlates more with the health of the national economy than with individual choices.

The most common form of homelessness is transitional homelessness resulting from one short episode of homelessness due to a catastrophic event or sudden life change. This type of homelessness is often difficult to prepare for or predict.

Stivers also notes in Disrupting Homelessness that Homelessness is a result of community disinvestment created by policies such as urban renewal and redlining. Homelessness affects the health of the whole community and requires community-wide solutions.

MYTH | Criminalization is an effective solution to homelessness.

FACT | The most common ways to criminalize homelessness are with tickets, fines or jail time for trespassing, loitering or parking violations. Tickets, fines and jail time reinforce the cycle of homelessness by depleting people’s time and money.

A report from the National Homelessness Law Center tracked criminalization of homelessness in 187 American cities and found that from 2006 to 2019, citywide bans on camping in public have increased by 92%; on begging, by 103%; on loitering, loafing and vagrancy, by 35%; on sitting or lying down in particular public places, by 78%; and on living in a vehicle, by 213%.

Another common way homeless people are criminalized is through a mental health crisis. Law enforcement officers often lack the information or options needed to help someone through a mental health crisis, so instead the person is jailed. Jail time can result in fines and job loss and can complicate getting a job after release.

According to the National Homelessness Law Center, criminalizing homelessness is expensive for taxpayers and ineffective in reducing homelessness. In fact, it may increase homelessness by creating barriers between people experiencing homelessness and the support they need. For example, a criminal record for panhandling or sleeping in a public space can prevent a homeless person from getting a job or being accepted into subsidized housing.
Invisible homelessness refers to individuals temporarily living in a place without a guarantee that they will have resources for meeting recurring needs throughout a prolonged period of homelessness. Typically, these individuals are older, have complex, long-term health issues and live on the street or in a car, park or other temporary locations. According to HUD, episodic homelessness refers to people who have experienced at least three periods of homelessness in the previous year. Youth and young adults are at higher rates of mental illness, but most chronic homelessness is experienced by those experiencing chronic homelessness. To be labeled chronically homeless, a person must be experiencing a disabling condition, which can and often does require a mental health diagnosis. According to HUD, only about 20% of the homeless population can be categorized as chronically homeless. So, the data does not often accurately represent the wide spectrum of homelessness.

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Fact

Myth

Fact

Myth

Fact

HUD’s annual Point in Time count (PIT) shows that those experiencing homelessness also experience higher rates of mental illness, but there are two problems with this data. First, it does not specify whether someone was experiencing mental illness before becoming homeless or whether the illness was triggered or worsened by the experience of being homeless; there may be a correlation, but the causation isn’t clear. Second, this data is primarily based on those experiencing chronic homelessness. To be labeled chronically homeless, a person must be experiencing a disabling condition, which can and often does require a mental health diagnosis. According to HUD, only about 20% of the homeless population can be categorized as chronically homeless. So, the data does not often accurately represent the wide spectrum of homelessness.

Some models in housing and homelessness work require people to address their problems, including behavioral health problems, or to graduate through a series of service programs, such as counseling for substance abuse or spiritual guidance, before they receive housing, or as a requirement to keep it. However, research from HUD shows that people are more successful at things that help end the cycle of homelessness, such as mental health counseling, if their foundational needs, such as housing or food, are met first.

Providing housing without prerequisites is part of the Housing First model (learn more on page 5), which aligns closest with the Lutheran understanding that God’s grace is given freely and not as a response to actions or merit.

Myth

Mental health issues cause homelessness.

Myth

People need to be mentally and emotionally stable before they receive housing.

Fact
AFFORDABLE HOUSING

WHAT IS AFFORDABLE HOUSING?

Understanding affordable housing is an important first step in advocating for effective policy around housing and homelessness and developing a project that addresses the root causes of homelessness.

There are many ways to define affordable housing, but the central idea is that the cost of housing should not substantially burden a person or family. Below are two helpful definitions of affordable housing that specify the cost burden of housing. You can find more information on types of affordable housing in the “Build” section, beginning on page 31.

The Department of Housing and Urban Development (HUD) defines affordable housing as “housing for which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities.”

This definition highlights that there are other things to consider when calculating the cost of housing, including things such as utilities. When housing costs are over 30% of a household’s gross income, it becomes increasingly more difficult to pay for other bills and necessities, such as food, medical needs and more.

Additionally, the National Housing Conference defines affordable housing as “reasonably adequate in standard and location for lower or middle income households and does not cost so much that a household is unlikely to be able to meet other basic needs on a sustainable basis.”

This definition highlights that not all affordable housing is created equal. Safe and clean affordable housing is also important. This definition also takes the median income of a community into consideration. This is important because affordability varies by income level and location.

AVAILABILITY AND AFFORDABILITY

As of 2020 the United States had a shortage of 5.5 million affordable homes (a figure that does not account for people experiencing homelessness). This means that over 5.5 million households need affordable housing but are unable to access it due to various factors. A major factor in the shortage of affordable housing is the overall shortage of housing in the United States. This shortage of housing results in people of higher income levels occupying affordable housing units that they might not otherwise. With some affordable housing off the market due to this increasing need for housing overall, more people in need of affordable units are unable to get them. A second factor is affordability: the cost of housing in the U.S. has outpaced wage growth. To end homelessness, we need a two-pronged approach that increases both the economic power of households and the number of affordable housing units.

As of 2020 the United States had a shortage of 5.5 million affordable homes.
People of color in the United States face more barriers to affordable housing. This is not a new trend, nor did it happen by chance. Local, state and federal policies have contributed to community disinvestment, gentrification and lack of access to loans and services. Depending on your community context, different policies may have contributed to erecting barriers for people of color to access affordable housing. Here are a few but not all the issues you should consider:

**Redlining**
- See the activity beginning on page 14.

**Urban Renewal as Part of the Housing Act of 1949**
- This project began with President Harry Truman as part of his “fair deal.” The Housing Act of 1949 offered federal subsidies to local governments and redevelopment projects to clear and sell land that they deemed “blighted” or “slums.”
- According to a University of Richmond study of the number of displaced families from 1950 to 1966, millions of people, primarily people of color, were physically displaced by these efforts. The federal policy was to compensate displaced people for their property, aid in their relocation or place them in public housing, but this assistance was often late or never arrived at all.

**Criminalization of Homeless People**
- If you are experiencing homelessness, there are very few legal and safe spaces for you to sleep or spend your day without breaking the law or violating a city ordinance.
- The Yale Law School notes: “A simple citation for violating a city ordinance easily traps people in the criminal justice system. For people living in homelessness, citation fines are typically out of reach. Their only option is to contest citations in court. But without an address or reliable transportation, they often fail to receive notice and do not appear in court. Failure to appear in court can result in a warrant for arrest. For that individual, the next act of sleeping on a bench or holding up a sign asking for money could lead to jail.” See the “Further Reading” section to learn more about the cycle of criminalization of homelessness.

**Domestic Violence**
People who have experienced domestic violence are also more likely to experience obstacles to accessing affordable housing. Many survivors must leave unsafe situations with limited economic resources and are unable to access the things they need to be safe, including affordable housing. They may also need to leave a job or support systems that helped sustain them. This puts them at higher risk for homelessness and at greater need for affordable housing.

**Sexual Orientation and Gender Identity**
Discrimination against people who identify as lesbian, gay, bisexual or transgender is an important factor in increasing the risk of homelessness for LGBTQ people, especially youth and young adults. According to HUD, 1 in 5 transgender people have experienced homelessness at some point in their lives, and LGBTQ youth are 120% more likely to be homeless. Additionally, LGBTQ advocates report that older adults who identify as LGBTQ struggle to find safe, affirming housing, which results in higher rates of abuse and homelessness. In many communities, discrimination based on sexual orientation or gender identity is legal. This makes advocacy for fair and just laws a critical step in addressing housing disparities.

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**FURTHER READING**

If you would like to learn more about the effects of criminalizing homelessness, check out this article from Yale Law School: [bit.ly/YaleLawArticle](bit.ly/YaleLawArticle).

If you would like to explore the intersection of hunger and gender, check out ELCA World Hunger’s Toolkit on Gender and Hunger: [elca.org/Resources/ELCA-World-Hunger#Toolkits](elca.org/Resources/ELCA-World-Hunger#Toolkits).

Additionally, you can learn directly from ministry leaders addressing the disparities created at the intersection of gender and hunger through ELCA World Hunger’s “Hunger at the Crossroads” webinar series. Watch the recording of the webinar: [vimeo.com/589442213](vimeo.com/589442213).
Redlining is the denial of goods or services to a neighborhood or community, often because of racial factors. Redlining can include a variety of practices and policies, such as denying loans for homes in a particular neighborhood, or hospitals refusing to accept ambulance transport from certain geographic areas. The activity in this section helps participants understand the long-term effects that real estate redlining can have on a community.

**TIME** 90-120 minutes

**GOAL**

This variation on the popular board game is a great opportunity to learn about the long-term effects of discrimination and injustice.

**MATERIALS**

- Monopoly game
- A computer to access the documentary below
- A screen, if possible, for projecting the documentary

**GETTING STARTED**

This activity is an opportunity for your group to look more closely at the ways public policies — especially the discriminatory policy of “redlining” — can have lasting effects on communities facing poverty. Playing the popular board game Monopoly (with a few changes) opens up the discussion. You may also want to watch “The House We Live In,” part of the PBS documentary series Race: The Power of an Illusion (information below), to understand how such policies — even from decades ago — can make a community more vulnerable to poverty.
INSTRUCTIONS

Set up the Monopoly board and divide the group into teams. (Depending on the size of your group, you can also play individually.) Distribute the money from the “bank” according to the game instructions. The game will be played by the normal rules, with these exceptions:

1. Players can acquire properties only by landing on them and purchasing them from the bank.

2. Team One may purchase all but the light blue properties (Oriental, Vermont and Connecticut avenues).

3. Team Two may purchase all properties but the railroad stations and the purple (St. Charles Place, States Avenue and Virginia Avenue), red (Kentucky, Indiana and Illinois avenues), green (Pacific, North Carolina and Pennsylvania avenues) and dark blue properties (Park Place and Boardwalk).

4. Team Three may purchase only the dark purple (Baltic and Mediterranean avenues) and light blue properties (Oriental, Vermont and Connecticut avenues).

5. Neither Team Two nor Team Three may develop properties by buying houses or hotels. Allow the game to go on until each team has gone around the board several times and most properties have been purchased. Once you reach this point, end the restrictions on which properties each team can buy. Now any team can purchase any unowned property they land on! The game can go on with the standard rules until one team goes bankrupt or until a set time limit has been reached.

DISCUSS

Q: How did the rule changes affect your experience of the game? [Possible answers: Less fair, frustrated by restrictions, created segregated area of the board for teams Two and Three.]

Q: How did ending the restrictions on which properties your team could buy change the game? Did it improve your chances of winning? Why or why not? [Possible responses: Getting rid of restrictions did not change the game much, because there were still few properties to buy; lifting the restrictions gave them more options, but the game was still not completely fair.]

Q: What could (or did) teams Two and Three do to improve their chances of surviving or winning the game? [Possible responses: Join together to create a “nontraditional” team; give each other discounts on rent.]

Q: [For Team One] What was your experience of the game? As you got more properties and money, how did the game change? Did getting rid of the restrictions affect the way you played or your experience of the game? [Possible responses: Enjoyed having the privileges; felt bad for the other teams; ending the other teams’ restrictions made Team One less likely to give the other teams breaks on rent.]
There are many different ways to talk about housing and homelessness from a faith perspective, but two themes are foundational in housing and homeless work: abundance and grace. In this section you will find an activity to cover each of those themes.

**INSTRUCTIONS**

Write the word “scarcity” on one large sheet of paper and “abundance” on the other, then ask the participants for synonyms of these words. Next invite participants to answer the questions below and write the answers on the corresponding sheet of paper:

**ABUNDANCE**

**VERSUS SCARCITY**

**HOMELESSNESS AND THEOLOGY**

**TIME:** 15-20 minutes

**GOAL**

To explore the meaning of the words “scarcity” and “abundance” in relation to faith, housing and homelessness.

**MATERIALS**

- Large sheets of paper
- Markers

**SCARCITY**

- How might we act if we thought there wasn’t enough food for everyone?
- How might we treat each other if there wasn’t enough food to eat?

**ABUNDANCE**

- How might we act if we thought there was plenty of food for everyone?
- How might we treat each other if there were enough food for everyone?
Print the following four statements on cards for participants to read aloud, then invite them to place the cards on the word “scarcity” or “abundance,” whichever fits best with the statement.

**As people of faith, we know that God provides for every need.**

**Everyone in the community has something to offer.**

**There is a shortage of 3 million affordable housing units.**

**The National Health Care for the Homeless Council estimates 46,500 deaths annually among people experiencing homelessness, highlighting the vast and largely hidden scale of homeless deaths in the United States.**

Next tell participants that it’s natural to start from a place of fear or scarcity, but God calls us to envision, and work with our neighbors to create, an abundant world where everyone can contribute, has what they need and has equal access to opportunities.

Next give each participant a sheet of paper and some markers. Invite them to draw what abundance looks like in their local community and to think about what abundance in the world of housing and homelessness looks like. Give participants five to 10 minutes to draw, then invite them to share what they drew with the group and why.

To close the activity, invite the participants to pray. You can use the prayer provided here or another selected prayer.

**Almighty and eternal God, you have shown us the abundance of your love and grace.**

**First you created the world to work in harmony for the uplifting of all creation and formed us in your image. You gave us Christ to remove barriers of sin and brokenness that keep us from living and giving abundantly. And you continue to inspire us with the Holy Spirit.**

**Shake us from a mindset of scarcity. Show us where you are already at work in our communities and how we can participate in the building of the abundant world you call us to.**

**Amen.**
Luther believed that grace is freely given and empowers Christians to do good things. True.

In his “95 Pretty Good Ideas,” Luther made clear that selling indulgences gave people the wrong idea about God and salvation. False: Luther made this clear in his “95 Theses.”

Luther did not think that indulgences were economically harmful. False: Luther saw preachers selling indulgences to people who were in poverty and could barely feed their families.

Luther saw indulgences as selfish. Grace frees us to love and serve our neighbors; merit makes us focus on ourselves. True.

Luther saw no connection between indulgences in the church and greed in the marketplace. False: Both indulgences and greed were based on the belief that humans can trust something or someone other than God to save them.

After the quiz, divide the participants into groups of two or three, giving each group two differently colored markers. Hand out copies of “95 Theses” and ask them to read through the document, highlighting in one color any theses they think represent grace and in another color any theses they think represent merit. Give participants 10-15 minutes, then have them share a few of the theses they highlighted. Add the numbers to either the “grace” or the “merit” brainstorming on the whiteboard or sheet of paper.

Repeat the process with the word “merit.” Then invite the participants into a discussion with the questions below:

1. Are there any similarities or connections between these words?
2. What is the major difference between the words?
3. Which word represents how we actually live our lives?
4. Which word describes what God calls us to help create, and how so?

Read the following statement to the participants:

Luther wrote about the connection between how we view grace and merit and how we act in the world, especially how we act within the economy. When we are turned inward toward ourselves and put our trust in ourselves, our work or our possessions, we see other people as competitors. A focus on merit can make us selfish. When we trust in God, we are free to love and serve others, without thinking of only our own good. A focus on grace turns us outward to care for other people around us. This is clear when Luther writes about indulgences in the 95 theses.

Introduce Martin Luther’s reflections on grace and the economy in “95 Theses” by using this true/false quiz. Ask each question, wait for responses and reveal the answers.

1. In Luther’s time, the Catholic Church sold pieces of paper called “sin pardons.” False: They were called indulgences.
2. Indulgences allowed people to have their sins forgiven and go to heaven without having to atone. True.
3. Indulgences were based on the idea that good works could “earn” humans God’s grace. True.

To introduce the idea that God calls us to create an economy of grace, this activity breaks down the words “grace” and “merit” in a theological context and examines Luther’s “95 Theses.”

To begin this activity, write the letters G, R, A, C and E, stacked vertically, along the left side of a whiteboard or large sheet of paper. Ask participants to come up with words that begin with G, R, A, C and E, and that signify something about grace. Add their words to the whiteboard or sheet of paper. For example:

G — gift, God, gratitude
R — radical, revolutionary, redemption, retroactive
A — absolutely unearned
C — connection, costless, compassion, creed, caring
E — Easter, empower, economy

Remind participants that the Catholic Church has changed a lot since Luther’s “95 Theses” was published in 1517 and that today Lutherans and Catholics agree more closely on the doctrine of grace.
Luther believed that grace is freely given and empowers Christians to do good things. True.

In his “95 Pretty Good Ideas,” Luther made clear that selling indulgences gave people the wrong idea about God and salvation. False: Luther made this clear in his “95 Theses.”

Luther did not think that indulgences were economically harmful. False: Luther saw preachers selling indulgences to people who were in poverty and could barely feed their families. Luther saw indulgences as selfish.

Grace frees us to love and serve our neighbors; merit makes us focus on ourselves. True.

Luther saw no connection between indulgences in the church and greed in the marketplace. False: Both indulgences and greed were based on the belief that humans can trust something or someone other than God to save them.

Next read participants the statement below:

When we see the world as a system that distributes rewards (such as wealth or housing) for good behavior and punishments (such as poverty or homelessness) for bad behavior, we are looking through a lens of merit. For Martin Luther and for Lutherans, God’s world is a place of grace, not reward and punishment. This includes the systems God has established, including the government and the economy. When functioning well, systems such as government and the economy help us experience well-being in our lives and are examples of God’s grace.

Seeing the economy through the lens of grace does not mean that we believe everything we can buy should instead be free, or that we shouldn’t have to work. Instead, it changes our perspective on the purpose of our economic activity. Merit makes us look to ourselves and our own good. Grace helps us focus on others and the good of our whole community. Viewing the economy through the lens of grace challenges us to ask hard questions about the economy: How are vulnerable people protected? Does everyone have a fair opportunity to enjoy the benefits of the economy? Are economic risk and opportunity experienced equally by all people?

Ask participants to reflect on the difference between grace and merit. What do they think an economy or life of grace looks like in relation to housing and homelessness? What might Luther say?

To close the activity, invite participants to recite the prayer below or another selection.

**Loving God, you invite us to reflect on our need for your grace. Grant us grace to see the brokenness of our communities and our economy. Grant us courage to work together for a just world in which all are fed. Grant us hope in your promises for today and for the world to come. In the name of Jesus Christ, our crucified and risen Savior, Amen.**

**Note for Leaders**

Remind participants that the Catholic Church has changed a lot since Luther’s “95 Theses” was published in 1517 and that today Lutherans and Catholics agree more closely on the doctrine of grace.
WHAT MAKES A DIFFERENCE? THE IMPACT OF ADVOCACY

Want to learn more about advocacy? ELCA Advocacy’s “Advocacy 101” is an easy-to-use resource with stories from leaders across the ELCA, simple activities for small groups to get started and suggestions for learning more. Originally developed by young adults for young adults, the guide can be used by people of faith of all ages.

Housing is a policy issue, and it requires advocacy. In this section we will be covering important ways to work for change through policy. The first thing to remember, though, is that advocacy does make a difference. According to the Congressional Management Foundation, lawmakers in Congress and their staffs frequently report that engagement from their constituents, especially when they are undecided on a new issue, makes a significant difference in determining how they will vote and prioritize their efforts.

In general, the more time an individual activity takes, the more influence it will carry in the long run. For example, meeting directly with a lawmaker might have greater impact than sending one email to their office. However, emailing that office every week for a year might be more influential than one in-person meeting. Here are some tips for expanding the impact of your advocacy:

**ADVOCACY 101**

“Lutherans make a promise at baptism: to strive for justice and peace throughout all the earth. We aren’t just waiting for heaven. We are called to love our neighbor in the present. Here. Now. And one of the ways we do that is through government.”

You can find more advocacy basics, from “What Is Advocacy?” to how to get involved, in “Advocacy 101 for Young Adults: When Faith Meets Public Policy,” found at elca.org/resources/advocacy.
• **Get Personal About Your Story:** According to lawmakers, petitions and form letters have had less and less impact on decision-making in recent years. When participating in advocacy, write your own messages and tell stories that are unique to you and your community. Unique actions and personalized voices, rather than volume, are what make advocacy engagements transformational.

• **Choose Engaging Statistics:** Whenever possible, highlight local sources and district-specific statistics. Great local tools to start with on housing issues include ELCA World Hunger’s “Know Your Neighborhood” guide, district data on affordable housing from the National Low Income Housing Coalition and data on the unsheltered from the National Alliance to End Homelessness:
  - bit.ly/KnowYourNeighborELCA
  - bit.ly/nlihcHousingNeeds
  - bit.ly/StateHomelessness2021

• **Name Recognition and Gratitude:** Lawmakers pay attention when their names appear in the news and on social media — especially local news. When promoting your advocacy campaign, engaging the press or just sharing activities on social media, be sure to tag the names of your lawmakers frequently. In an age when most news on public affairs is negative or condemning, you can grab their attention by sharing optimism on issues or gratitude for their service.

• **Faith Is Our Strength:** Always remember that what distinguishes you from secular activists is your faith. Share frequently how your faith informs the stances you are taking. Connecting on shared values can often help build a relationship, prevent miscommunication and deepen partnership in the long run.

• **Maintain Relationships:** After meeting with officials, staff or other advocacy partners, follow up and connect with them regularly to form stronger relationships. The most influential kinds of advocacy by far are relationship-building that establishes meaningful connections with policymakers in the long run.

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**DRASHAWN’S INVITATION**

As a person who has needed advocacy in the areas of addiction, incarceration and human trafficking, I invite you to step in with open exploration for where God’s grace and mercy may abide. When I felt anger over my situation and couldn’t figure out how to advocate for myself, I found James 1:19-22 to be very meaningful:

“You must understand this, my beloved: let everyone be quick to listen, slow to speak, slow to anger; for your anger does not produce God’s righteousness. Therefore rid yourselves of all sordidness and rank growth of wickedness, and welcome with meekness the implanted word that has the power to save your souls. But be doers of the word, and not merely hearers who deceive themselves.”

Dear God,
You are above all things. You know our pains, our needs, our desires. We come to you when our endurance has been tested and our faith is still being developed. We ask you to champion this endeavor for the people of God. Advise those who come together for purposes of peace and advocacy. Send your Holy Spirit to guide their words and actions so they might be doers of the word! We ask all these things in your holy name. Amen.

Thank you for your interest and commitment to these important works.

Drashawn Hayes
Sioux Falls, S.D.
Introduction

Housing affordability and homelessness are, at their roots, fundamentally moral and faith issues that relate to many other aspects of our lives. Among the first steps in learning about effective housing advocacy are defining how the issue affects you, determining how lack of affordability impacts your community and exploring how our faith calls us to respond.

What does “intersectionality” mean? Hunger, poverty and housing insecurity are rarely isolated problems. People facing hunger are often living in poverty or trying to find secure, stable housing.

“Intersectionality” means how these issues relate to each other in the real experiences of our neighbors. It means seeing the connections between issues and addressing multiple needs at the same time to ensure more effective solutions.

Exploring Housing Intersectionality

Housing is a deeply intersectional issue — one that affects and is affected by many aspects of our lives. When families struggle with rent, face foreclosure or experience homelessness even for a brief time, they can be at much higher risk for other challenges. Research suggests that housing insecurity is tied to higher rates of hunger, health problems and illness, and that those who have endured it face greater challenges in school and greater risk of entering the criminal justice system.

In a small group, choose one issue with which housing might intersect; individually, spend three minutes writing down different ways in which housing might impact that issue, and share your ideas with the wider group. Possible issues include:

- Hunger
- Health and well-being
- Education and child development
- Racial justice and inequity
- Immigration status
- Economic mobility
- Criminal justice and reentering society
- Seniors and aging
- Disability rights
- Disaster recovery

Learn more about intersectionality: The ELCA is among several faith members of the Opportunity Starts at Home campaign, a coalition of many different advocates dedicated to highlighting the intersectionality of housing issues. To explore more about different issues, take a glance at www.opportunityhome.org/related-sectors/.
“We should oppose governmental policies and programs that undercut public health, impose economic damage, destroy the environment, or deny neighbors their dignity and rights.”

ELCA Social Statements
The ELCA has affirmed in its social teachings that housing and advocacy are critical priorities. Consider convening a group conversation around some of these statements. Break into small groups to discuss one text, then come back together to share what you found and which points stood out to you most. Consider sharing one or two anecdotes on how these messages might relate specifically to your community. To find the full text of the social messages and social statements excerpted here, visit elca.org/Faith/Faith-and-Society.

• ELCA social message, “Homelessness: A Renewal of Commitment” (1990): “Christians walk with the homeless when they join with others to voice deep concern about homelessness, ask hard questions, and advocate policies that seek to provide job training, employment opportunities, housing, education, health care, and support for the homeless. While as Christians we may differ in our views on what policies will be most effective, we ought not overlook the need for new and sustained initiatives by government, businesses, and non-profit organizations, including church groups.” bit.ly/elcaHomelessness

• ELCA social statement, Sufficient Sustainable Livelihood for All (1999): “‘Sufficiency’ means adequate access to income and other resources that enable people to meet their basic needs, including nutrition, clothing, housing, health care, personal development, and participation in community with dignity.” bit.ly/elcaEconomicLife

• ELCA social statement, Freed in Christ: Race, Ethnicity, and Culture (1993): “This church will support legislation, ordinances, and resolutions that guarantee to all persons equally . . . the right to rent, buy, and occupy housing in any place.” bit.ly/elcaRaceEthnicityCulture

• ELCA social message, “Government and Civic Engagement in the United States: Discipleship in a Democracy” (2020): “We should oppose governmental policies and programs that undercut public health, impose economic damage, destroy the environment, or deny neighbors their dignity and rights. This is true even while we recognize that some policy choices place these issues in tension with one another. Whenever there is division and oppression, this church should advocate for a more just distribution of both the benefits and the burdens of participating in democracy.” bit.ly/elcaGovernmentStatement

Which Officials Can Best Address My Concerns?
Choosing Your Targets
After examining housing issues from different perspectives, your next step before taking action is to consider which levels of government, or which officials, could best address some of the challenges you face. Issues such as community planning, zoning reform, lingering segregation or excessive actions against homeless communities might be best addressed to local lawmakers. Others — such as providing more incentives to build affordable housing, expanding resources for rental assistance or attacking wider systemic concerns such as homeownership rates — might be handled most practically at the federal level.

Examine where your priorities lie and which specific elected officials in your community might be the best to engage with in future advocacy. These questions are further explored in section 3 of this resource.
HOW CAN I TAKE ACTION?

- **Community Education:** As settings for community dialogue, churches are a great place to learn, exchange ideas and organize. Approach your pastor and congregation about hosting educational seminars, inviting guest speakers, planning advocacy-centered Bible studies or starting an issue-based advocacy team in your church.

- **ELCA Action:** Sign up for ELCA Action Alerts at [elca.org/advocacy/signup](http://elca.org/advocacy/signup) for up-to-date news on urgent issues and opportunities to take action on policies you are passionate about. Connect regularly with ELCA Advocacy team members or your local Lutheran state public policy office to share your church’s advocacy actions, communicate which issues you would like to see prioritized, and take advantage of other opportunities, such as trainings or building connections with other advocacy groups.

- **Call-in Day Campaigns:** Make a phone call, write a letter or send a customized email to your lawmaker frequently, if not weekly. Lawmakers know which issues to be most concerned about when advocates are taking consistent action — even when those issues fall out of the mainstream news cycle. The more you customize your messages and include others to take action with you, the greater your impact.

- **Advocacy at Volunteer Events:** Accompaniment and centering the voices of the most impacted in our communities are the most transformative forms of advocacy. When attending volunteer events or connecting with community service partners, find ways to include advocacy opportunities (including those listed here) in your engagement activities.

- **Marches and Visibility:** Keep an eye out for public events, community organizing and activities such as local marches that your congregation can participate in. In consultation with your pastor, invite others from your church to join in marches for issues you care about — or, with permission, bring branding and signs to church to highlight the issue for your congregation.

- **Host a Voter Registration Drive or Activity:** Work to expand voter turnout, volunteer the church as a polling place or participate in other civic activities to help bolster civic engagement. Learn more about the variety of civic engagement activities churches can participate in at [elca.org/vote](http://elca.org/vote).

- **Engaging the Press:** Get involved with engaging the news media. Write press releases or op-ed pieces, or build relationships with local news organizations based on issues that matter to your congregation. Inviting journalists to events is a great way to increase your visibility and chances of being covered.

- **Lawmaker Visits and Town Halls:** Lobbying your lawmakers directly is one of the most impactful methods of advocacy. Learn how to schedule effective meetings with your lawmakers with the ELCA’s “Virtual Visits” guide ([elca.org/resources/advocacy](http://elca.org/resources/advocacy)); if you need help booking a meeting, contact [washingtonoffice@elca.org](mailto:washingtonoffice@elca.org). Check your lawmakers’ press pages regularly to learn about upcoming town halls, constituent meet-and-greets or other public events where you can connect with them.
BUILDING AN ADVOCACY STORY

The last step in preparing for advocacy is to define and hone the story you want to share, keeping in mind your focus, audience and means of taking action. Tailoring your message to the values of your audience, compose a two-minute “elevator speech” for quick encounters. The ELCA resource “Advocacy 101 for Young Adults” explores the importance and nuances of storytelling in greater depth — and is a good walk-through to prepare your message for different types of engagement.

HOUSING POLICY BASICS

FEDERAL HOUSING ISSUES

Expanding Affordable Housing

According to the National Low Income Housing Coalition, no state in the U.S. has enough affordable housing for those of us in the greatest need. In fact, there is a massive shortage of housing stock available for people in every income bracket, which makes homeownership and access to an affordable home a rarer opportunity in the U.S. every year. Given the low supply of housing, the increased cost of owning or renting a home is one of the greatest drivers of housing insecurity and the rising cost of living. These forces affect everyone, not just low-income families.

To address these concerns, we must ask federal lawmakers to provide resources for more housing in the long run and to increase vouchers that help low-income households with steep housing costs in the short run. Additionally, we must ask Congress to fully fund and expand HUD programs in the annual federal budget to help maintain housing assistance and homelessness programs that have long been underfunded in our communities.

WHY SHOULD LUTHERANS BE INVOLVED IN HOUSING ADVOCACY?

Andrew Fuller, ELCA Program Director for Housing and Human Needs

People of faith have worked to address housing needs in our communities for generations. This rich history comes from a fundamental, traditional and even scriptural understanding that a secure home is an essential need of the human person. In the ELCA social message “Homelessness: A Renewal of Commitment” (1990) and other social teachings, we have affirmed housing as a “human right” that must be protected and affirmed in our society.

Lutheran ministries often share unique experiences that many lawmakers have never known. Our officials need to hear the perspectives of those of us in the greatest need and to grasp how policies are shaping our realities. We need to affirm that the growing shortage of affordable housing is a policy matter — a preventable problem that can be solved in our lifetime. And we need to explain that the housing crisis today impacts people of all ages, political affiliations and faiths, but also that many communities unjustly face a harsher impact than others.

In the Lutheran tradition, we recognize our calling to be a public church — one freed to be an engaged and meaningful presence in the world, sharing the good news of Christ, rather than one detached from the realities of our communities. If people of faith fail to raise up in the public sphere the stories of those they serve, then who will? We have a rich story to share with those who can make a transformative difference on housing and community development.
Disaster Housing
As natural disasters become more frequent and severe around the world due to climate change, their devastation of communities has also become more intense and widespread. Tightened rental and housing markets have laid an additional burden on survivors in vulnerable communities as they try to rebuild their homes and lives. The effects of climate change, such as rising sea levels, can have detrimental effects on land and communities, making them more susceptible to the impacts of disasters.

When disaster strikes, many survivors may not be able to return home. Now more than ever, we need advocacy to address recovery needs, rebuild impacted communities and boost preventive programs that mitigate the destructive effects of disasters. Policies and response systems must adapt to the changing realities of our communities.

One way to help is to encourage lawmakers to support stronger, more reliable investments in disaster relief by authorizing programs such as the Community Development Block Grants Disaster Recovery Program. Grants such as these, issued to states by Congress after a major disaster, have long been the primary mechanism for funding long-term housing recovery. Formally authorizing the program will help streamline results and obviates the need for HUD to publish new (or unpredictable) program regulations.

You can learn more about such programs from the ELCA “Housing and Disaster Response: Prepared to Care” fact sheet, available at bit.ly/37yJqAz.

Asking federal lawmakers to provide funding for states and communities is a recurring need after every major disaster. Additionally, by supporting pre-disaster programs run by the Federal Emergency Management Agency (FEMA) in the annual federal budget and by authorizing such recovery policies as block grants, representatives can offer major protections to communities before a disaster hits.

Eviction Prevention and Legal Aid
Even before the mass-eviction concerns of the COVID-19 pandemic, activists had drawn attention to the long-lasting financial penalties and health costs of eviction on households. Research groups such as the Eviction Lab have begun studying certain cities to better track evictions, how they increase risk of homelessness and how eviction can haunt a family financially and emotionally for years afterward.

Asking federal lawmakers to start tracking evictions and foreclosures nationally can help us better study the issue in the long run. Additionally, offering emergency relief for people facing eviction during extreme circumstances can go a long way toward ensuring that those of us in the greatest need stay housed.
Addressing Homeownership Disparities and Segregation

Though increasingly out of reach for many in the U.S., homeownership remains one of the most effective ways to keep households out of poverty. Awareness of homeownership challenges come as Black homeownership has fallen to lows not seen since the 1960s, and amid the reality that many of our communities remain nearly as segregated as they were during that era.

Asking federal lawmakers to continue consumer protections and boost access to credit can help raise homeownership as more housing becomes available. Additionally, lawmakers should provide funding to localities, among other initiatives, to establish regional plans that address racial inequality in housing and historic disparities in access to an affordable home. The National Fair Housing Alliance and other key partners advance equal housing opportunities for all through assistance and advocacy; visit nationalfairhousing.org.

State Housing Issues

Housing Trust Fund

Each year, states receive an allocation from the federal government to build more affordable housing through the National Housing Trust Fund. Much of this funding prioritizes housing for low-income households in particular. Depending on the state you live in, you might have a state-level trust fund of your own. Technical assistance groups, such as the Housing Trust Fund Project, track states with existing housing trust funds and provides tools for states that wish to develop one. We must advocate to boost these programs and ensure that funding is prioritized for those of us in the greatest need.

Asking state lawmakers to create or boost state-level housing trust-fund programs can help further federal initiatives to increase access to affordable housing. Additionally, encouraging state lawmakers to allocate annual federal trust-fund dollars to regions and individuals in the greatest need is a frequent concern.

Allocating Disaster Aid

Following the most destructive natural disasters, federal assistance is often given to states and localities to best address recovery efforts. However, in recent years many state lawmakers have frequently asked for waivers from the federal government to disregard low-income assistance requirements for those dollars. As a result, news media often perceive a quicker recovery as higher-income neighborhoods are repaired, ignoring many low-income families who might never see any assistance.

Asking state lawmakers and officials to maintain low-income disaster requirements in federal programs is a reoccurring need in the aftermath of any major disaster. Additionally, supporting initiatives that provide aid to renters or people facing homelessness is also significant.

Emergency Rental Assistance

Amid the COVID-19 pandemic, states and localities began setting up new, individual systems to allocate federal emergency rental aid to families at risk of eviction. With many of the systems set up hastily and others still incomplete, many people eligible for housing assistance may not receive help before they are removed from their home.

Asking state lawmakers to continue building emergency rental program efficiency at the local level, as well as seeking alternative programs to eviction, can help keep many of us housed during a personal or economic crisis.

Local Housing Issues

Addressing Rental Housing Discrimination

In recent years a growing share of landlords in the U.S. have chosen to reject prospective tenants who receive federal housing assistance through programs such as the Housing Choice Voucher Program (see more in the “Learn” section). As a result, estimates the Center on Budget and Policy Priorities, only 14% of those low-income voucher recipients actually live in a low-poverty neighborhood.

Asking local lawmakers to pass voucher -nondiscrimination laws can allow greater economic mobility and reduce income segregation in our neighborhoods. Federal policies do not strictly bar landlords from rejecting all housing vouchers, and enforcing nondiscrimination at higher levels can be difficult, which makes it a critical issue to raise with your local lawmakers.
Zoning and Allowing Housing Construction
As state and private partners aim to build more affordable housing, some neighborhoods in the U.S. have started their own counter-movements to block any new construction within their communities. Sometimes known as the “not in my backyard” or NIMBY movement, these initiatives have slowed efforts to create urgently needed housing and increased the risk that any new housing will be limited to low-income areas.

Asking local lawmakers, especially in low-poverty areas, to support YIMBY (“yes in my backyard”) initiatives is critical to creating new housing opportunities across all communities, and it grants some low-income households greater economic mobility. In these spaces, prioritizing Housing First policies (see “Learn” section) may also improve outcomes in reducing the cycle of homelessness.

Countering Community Roundup Campaigns
You may have heard local stories of people without homes being forcibly displaced to other parts of town or having their makeshift communities torn down. Often, people facing homelessness lose all their possessions during these campaigns and have few advocates to turn to for support.

Asking local lawmakers to halt ineffective community crackdowns and prioritize innovative housing solutions that maintain people’s connections to those they trust is one way to recognize the dignity of our neighbors most in need. Criminalizing homelessness fails to address systemic concerns and disrespects the God-given dignity in all of us. Broader efforts to prioritize housing and service-based solutions to homelessness rather than criminalization have also been a significant issue for many faith-based advocates.

Partnering With Advocates in Your Community
Every locality has its own unique and diverse housing needs, from rural communities, where homelessness can be a real but invisible issue, to large cities, which contend with consistent logistical concerns. Partner with your local shelters, programs and housing advocates to make sure your congregation’s advocacy advances the up-to-date needs of your community.

Asking local lawmakers, especially in low-poverty areas, to support YIMBY initiatives is critical to creating new housing opportunities across all communities.
SECTION RECAP

Faith-based advocates can offer distinctive voices on housing issues, and their voices can be transformative.

The critical steps in starting a housing advocacy campaign are learning about the issues, choosing a solution to advocate and crafting a message that will have an impact.

There are many ways to engage on domestic housing issues at the local, state and national levels. All are important parts of working toward a just world where all are fed — and housed.

WRITE IT DOWN

Q: What housing issue takes priority for myself, my congregation or my community?

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________________________________________

________________________________________

________________________________________

________________________________________

________________________________________
Q: What officials or lawmakers should we connect with on this issue? In what way(s) should we connect with them, and how frequently?

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________________________________________

Q: Who would be a good partner and collaborator on this issue? What other denominations or networks might be interested? How can we include and accompany those directly impacted by the issue?

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Q: What unique perspective can we bring to these engagements as people of faith? What values, priorities or messages might our audience not normally hear?

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SECTION 3: BUILD

LAYING THE GROUNDWORK

DEFINE YOUR MISSION

Isaiah calls us to create healthy communities through the work of justice and compassion, not just within our congregations but also in our communities. This means reaching out in new ways and to new people, especially our homeless neighbors.

This guide assumes that your congregation is considering advocacy for affordable housing as a way to walk with local people in need. But before you jump into a housing project, ask yourself, your committee and your congregation: What is our vision, and what are our goals for service to our community? How will you square that vision with those in the community who have lived experience?

The questions below can facilitate those initial conversations, helping you to clarify your motivations and examine the relationships you have or may need to build.

They shall build houses and inhabit them; they shall plant vineyards and eat their fruit. They shall not build and another inhabit; they shall not plant and another eat; for like the days of a tree shall the days of my people be, and my chosen shall long enjoy the work of their hands. They shall not labor in vain.

—Isaiah 65:21-23
Clarify Your Mission

Q: Have we defined our vision and goals for this project? Have people with lived experience informed the planning and discernment process?

Q: Does an affordable housing project match these goals and address the concerns of people with lived experience?

Q: What other groups are doing similar work in our area? Can we connect with them?

Q: Is affordable housing the greatest need in our community?

Q: Does the community want affordable housing?

Q: Are we prepared to risk our "five loaves and two fishes" to launch this effort? Our own "equity" is critical to our success.

Q: Do we have relationships in the community and beyond (politicians, government, etc.) that leverage resources and opportunities?

What is our vision, and what are our goals for service to our community?

Isaiah calls us to create healthy communities through the work of justice and compassion, not just within our congregations but also in our communities. This means reaching out in new ways and to new people, especially our homeless neighbors. This guide assumes that your congregation is considering advocacy for affordable housing as a way to walk with local people in need. But before you jump into a housing project, ask yourself, your committee and your congregation: What is our vision, and what are our goals for service to our community? How will you square that vision with those in the community who have lived experience? The questions below can facilitate those initial conversations, helping you to clarify your motivations and examine the relationships you have or may need to build.
GETTING STARTED

GATHERING YOUR TEAMS

The Outreach Team
The first steps in determining the role a faith-based organization will play in bringing a project to fruition are to survey the existing talent or resources within the church and begin building an outreach ministry team.

The outreach team is important to your efforts to gain community acceptance. To assemble it, first identify latent talent within the congregation. This can be accomplished by several methods:

• A survey or spiritual-gifts analysis of the membership.
• A clarion call to this ministry of service from the pastor or ministry leader, issued through preaching and teaching the word of God.
• Close observation of and personal invitations to select members with needed skills.

The Development Team
A faith-based organization must have a pool of committed individuals who share the vision of the pastor or ministry leader. These individuals serve as the core ministry team upon which the project development team will be built. The development team will generally possess more professional and technical expertise relevant to the project. This team should be diverse, with people from the larger community and people with lived experience of homelessness. They must be committed to the issue and able to provide not only expertise in a wide range of technical disciplines but also access to resources and the community. This may require you to recruit people outside your congregation. See the Research Your Role section on page 39 for more information on the kinds of skills and partners you will need to be successful.

PREPARING YOUR CONGREGATION AND COMMUNITY

Before any contracts are signed or any ground is broken, you will need to spiritually and mentally prepare your congregation.

Mental Preparation
An affordable housing project is a long-term project that can succeed only with the contributions of many people. Before moving forward, ensure that the appropriate people are engaged, involved and invested in the project. Your bedrock for an enduring project is the people on your committee and in the congregation.

Once you’ve begun, you will face constantly shifting sands as you pursue your goals. Lenders, community leaders, government officials and other institutional players will change, as will their commitment, their acceptance of your project and even their willingness to honor signed contracts.

Because of all this, acceptance within the community is paramount for a successful project. The importance of relationships within your committee and across your community cannot be stressed strongly enough.

Building these relationships will take time. A primary question to ask yourselves is: Do we have the patience to start small and build slowly, waiting for the proper time to expand toward our goals? Take time for discernment to identify the true nature of your task. This can help you evaluate the feasibility of a project and make the necessary launch decisions.

As you begin your process, allow time for:
• The congregation to conclude that an affordable housing project is right for the church.
• The committee members to adapt to new ideas and new solutions as unexpected issues crop up.
• The community to understand and accept your vision for the project.
• The relationships necessary for your project’s success to form.

If your congregation lacks a homeless outreach ministry, check out Jay Bergstresser’s book Strong Drink for the Perishing: Transformative Outreach to the Homeless, a great resource to get you started.
Spiritual Preparation

In the long and sometimes confusing process of initiating an affordable housing project, some theological grounding will give the congregation a sense of connection to the project and strengthen their sense of mission. Below are a few Scriptures you may wish to explore with your congregation throughout the project, in sermons or Bible study sessions or as devotions.

<table>
<thead>
<tr>
<th>SCRIPTURE</th>
<th>TOPIC</th>
<th>NOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luke 1:39-56</td>
<td>Mary’s pregnancy and visit</td>
<td>Consider the three months Mary spends with Elizabeth. Mary doesn’t appear to do much active work during her stay. No armies are defeated, and no ground is broken on a project. However, Mary does proclaim the time of God’s justice, and in the secrecy of her womb, her body is forming Jesus. How might your congregation consider this story when you present your project or when the project is developing slowly?</td>
</tr>
<tr>
<td></td>
<td>to Elizabeth</td>
<td></td>
</tr>
<tr>
<td>Romans 12:1-2</td>
<td>Transformation and new ideas</td>
<td>Often a housing project requires a congregation to try things it has never done before. How could these verses from Romans challenge and guide you in this process?</td>
</tr>
<tr>
<td>Nehemiah 3</td>
<td>Building the wall</td>
<td>Nehemiah 3 is a great biblical example of a community-centered development project. Nehemiah begins by building relationships, asking questions, taking time to understand people’s lived experience, fasting and praying. He publicly articulates the problem to bring more people together. With the community he determines the exact issues and develops a plan. The community acts, overcomes obstacles and then celebrates. How might you use this passage to guide your congregation?</td>
</tr>
<tr>
<td>Ecclesiastes 3</td>
<td>A time for everything</td>
<td>Housing projects take a long time and have many different phases. How might this passage help you to trust in God’s timing?</td>
</tr>
<tr>
<td>Acts 2:43-47</td>
<td>The early church</td>
<td>In this passage the author explains that the early church met often, not only to spread the good news but also to break bread and give thanks for its accomplishments. How might this passage from Acts guide your project?</td>
</tr>
</tbody>
</table>
PREPARING YOUR COMMUNITY

Gaining Community Acceptance

There are two levels of community acceptance for an affordable housing project. First, will those in the community for whom the project is intended feel included in the decision process? Second, will they participate in the project once it is complete? This is important because some or all the people who will fill your housing come from the community.

On the other hand, in the 1960s and ’70s urban renewal resulted in projects that were poorly designed and frequently became blights on their neighborhoods, driving down property values for blocks around. This has fostered a “not in my backyard” (NIMBY) reaction to many affordable housing projects. Now many people balk at the idea of a project in their neighborhood. To circumvent NIMBY, you need to make the community see your project as an asset. Inspiring the community helps. It also helps if you include examples of similar projects that are unexpectedly beautiful as you introduce your project.

Does your project:

- Inspire participation through an overarching and resonant theme?
- Inspire participation through the beauty of its design?
- Add to the economic value of the community?

To minimize conflicts and opposition to your housing initiative, begin with a proactive and collaborative approach, working with the whole community. According to the Corporation for Supportive Housing (www.csh.org), there are six steps to building community support:

- Convene the development team early to research, assess and plan in key areas.
- Prepare a political strategy that coordinates all your work toward getting the acceptance you need.
- Prepare a strategy to build active community support for your proposal.
- Prepare a strategy to work through community concerns and deal with active opposition.
- Prepare a strategy to protect and use your legal rights.
- Prepare a public relations/media strategy to send your message to decision-makers and the public.

To promote a positive response to your project, you must involve the community from the beginning. This will ensure that your project addresses the true needs of the community. To ensure that you have participation from the community, ask yourself:

- Does community input play a role in how we make decisions about the project?
- Do we dwell among the people for whom the project is being built? If not, how do we avoid an us-versus-them scenario?
- Do we have methods for addressing tough issues such as racial and gender diversity among our decision-makers, or for ensuring that our project does not promote segregation?
- How will we maintain our integrity as we deal with opposition, some of whom will resort to dirty tricks?
- How will we celebrate milestones?
- How will we thank people?
- How will we thank God for benefits even in times of hardship?
- How will we evaluate the ongoing project?
GETTING STARTED QUESTIONS

As noted in the previous section, the reality of an affordable housing project is that it will take longer than anyone imagined. Cost overruns, construction delays, changes in demographics, leadership changes in both your organization and others you depend upon, and other unexpected events will require faith, flexibility and patience. Below are some questions to help you make sure your congregation and community are prepared for this journey:

Have you recruited a development team that is diverse and includes people with lived experience?

Does your development team have the people and the access to skills and resources it will need to be successful?

Have you set up an outreach team that is diverse in race and gender and includes people with lived experience?

Does your outreach team have the people and the access to skills and resources it will need to be successful?

Do you have methods for addressing tough issues such as racial and gender diversity among your decision-makers, or for ensuring that your project does not promote segregation?

Have you answered the questions for “Preparing Your Community,” above?

Prepare a strategy to build active community support for your proposal.
After you have prepared your congregation for the road ahead, you will need to begin your research phase. In the initial phase of research, you must have a good understanding of your community. This will connect your housing plan to the goals of the community.

For example, if you plan affordable housing for the city center yet people are moving to the suburbs, you are not locating the housing where it is needed. Within the community, consider all issues. Is there resistance to gentrification? Is rental housing what your area needs and wants?

This is not a matter of “If you build it, they will come.” Align what you build and where you build it to the needs and wants of the community and region. At the same time, understanding national housing plans can help you find sources of funding.

In developing a comprehensive plan, consider community context. For example:

- **Community needs**: What do people want that is currently unavailable? How will the community feel about your project? Will they support your ongoing efforts?
- **Politics**: What do the officials in your community want and need? What factors shape their decisions?
- **Community assets**: How will you incorporate into your plan such community assets as transportation, shopping, hospitals, public parks and bodies of water?
- **Community partners**: How will you initiate and maintain relationships with community organizations?

Even after extensive research, factors governing an affordable housing project will change. Different factions in the community can suddenly express unexpected needs. Central shopping outlets can close down. Officials can lose access to promised funding or simply disappear from the political scene. However, a project that fails to address national, regional and community aspects from the beginning will more likely, and more frequently, run aground. PolicyLink, a national research and action institute advancing economic and social equity, offers an equitable development tool kit on its website: www.policylink.org.
Important research topics at this stage include:

- Local, state and federal housing policies.
- Long-term protection of neighborhood assets, such as historical buildings and community diversity.
- Demographics (consult the U.S. Census Bureau).
- The local housing market, including what housing stock exists and what kind of stock will be needed.

Researching Your Assets

One of the next types of research you may consider is Asset-based Community Development (ABCD). ABCD is looking at the community and seeing that everyone, regardless of their age, race, gender or socioeconomic status, has something to contribute to the process. By looking at the positive aspects of your community, you can find unexpected assets on which to build, discovering talents and skills. With ABCD you use possibilities and perspectives to build new assets. ABCD encourages you to widen your circles — of families, neighbors, co-workers and colleagues — bringing outsiders into groups and bringing groups together to approach projects in new ways.

There are five types of assets to consider:

1. Individuals’ talents and skills.
2. Associations and networks of relationships.
3. Institutions and professional entities.
4. Land, property and other physical assets.
5. Economic assets.

Research Community Needs and Wants

After you have a good understanding of your community and assets, you need to make sure your idea is something the community wants and needs. Involving people with lived experience of homelessness helps at all steps of the process, but it is especially important at this step. People who have known or are currently experiencing homelessness will know their needs best and provide valuable insight. At this point you should also spend some time collecting data about the policies and demographics of your community, which can provide valuable insight. But be aware, if you get lost in data, you may overlook what the community really wants.

Important research topics at this stage include:

- Population concentrations.
- Applicable regulatory requirements for the area.
- The project’s potential impact on infrastructure.
- Environmental policies that may limit construction in the area (e.g. protection of wetlands, environmental cleanup).
- Transportation options and proximity to employment opportunities, hospitals, libraries, grocery stores, parks, etc.

To help you in your demographic research, ELCA World Hunger’s “Know Your Neighborhood” guide provides step-by-step instructions on how to find and use data provided by the U.S. Census Bureau, Department of Agriculture and Department of Housing and Urban Development. [download.elca.org/ELCA%20Resource%20Repository](download.elca.org/ELCA%20Resource%20Repository)

Market Surveys

Another helpful type of research you may choose to undertake is a market survey. This is an investigation into the state of the market for a particular product or service, in this case housing and community services, and it includes an analysis of consumers’ needs and preferences. You can consult existing market surveys (not older than six months) or hire someone to conduct your own. Personal testimony from people in the community you will be serving will breathe life into the statistics you collect.

Whether you are gathering data yourself or hiring a professional, here a few questions to answer in your market survey:

**Q:** What geographic boundaries define your market area?

**Q:** What are the community’s current and projected economic picture, employment base and rate of pay?

**Q:** What transportation is available for people living in the community or working for your project?
Are there a variety of housing options that match the needs and wants of different groups in the community?

Is the median home price outpacing income growth?

What is the range of rents being charged in the community?

What is the current condition of community housing?

How many other affordable housing projects are already operating in your community?

How stable is the population mix?

How desirable (readily marketable) is the proposed site?

**Research Your Role**

**Roles and Useful Partnerships**

After researching your community, turn inward and revisit your goals and mission in view of the information you have gathered. A church can play many important roles in an affordable housing project. Let your assets determine your role. Rather than try to learn new skills, partner with others who already have those skills. Many groups begin by playing an advocacy role. Through involvement and experience they may eventually set up a nonprofit corporation and become a developer. The role of developer is high-risk and generally requires a lot of time, expertise and resources. The different roles are as varied as the possible projects, and your role should be selected based on your strengths and desires:

- **Advocates** for affordable housing are concerned with changing public policy. This may involve working on such issues as affordability and special-use housing, and partnering with other groups to deal with government, banks, etc. (Learn more about this in the “Advocate” section of this resource.)

- **Facilitators** enable the process to reach its conclusion. This can be an important role in projects that take years to complete.

- **Catalysts/sponsors** frame the idea and engage others, using resources and influence to initiate the development process. They may then support another organization that serves as lead entity. They define community interests, work with governments and handle some specific up-front jobs.

- **Land developers** are churches that own land that can be sold or conveyed to a faith-based nonprofit developer. The church can maintain an ongoing role.

- **Joint venture partners** collaborate with experienced housing-nonprofit developers that need local knowledge of the community, a pool of potential clients, political influence, etc. Joint ventures are good ways to learn about housing development. However, each partner must realize the value they bring to the partnership and share the same ultimate goals. Consult an attorney when considering a joint venture.

- **Developers** of housing projects (single-family or multifamily) acquire property, make decisions about its development and assume the risk. This role requires a high degree of knowledge and resources.

- **Investors/donors** invest cash or in-kind goods in the development of affordable housing, with or without a financial return. By devoting time, talent and resources, the investors become vested in the project and can help ensure its success.

- **Home buyer counselors** identify potential home buyers in the community and assist them in preparing for homeownership. They might partner with existing housing-counseling programs, invite a housing agency to conduct workshops, etc.

- **Property managers** ensure that the property is maintained in good repair, handle tenant leasing, collect rents, etc. The management fee is usually 3-5% of the gross rents.

A church can play many important roles in an affordable housing project.
Research Partnerships

After you have researched and decided your role in this project, look at the skills you will need to make it work, and research needed partnerships. Not all skills can come from your congregation; you will need to build partnerships to access all the skills needed for a successful housing project. Below are some skills you will need to scout in your own community. If your community lacks any of them, you can explore partnering with other people, churches or organizations.

Required skills for a successful housing project:
• **Networking:** Networking enables you to find the people who know what you need to know about the community, your congregation, potential committee members, architecture, the building process, funding, and many other aspects you will discover as you move into your project.
• **Project management:** You will need to be able to manage some parts of the project, as well as new aspects that come up as people and events alter the course of your project.
• **Leadership development:** To keep the fires burning over the long term, find and elicit the leadership skills of many types of people. Develop your own leadership skills.
• **Organizational management:** Within your organization, create an environment that supports continuous improvement. Understand the issues facing the organization, maintain operational functions, develop personnel skills and manage human resources.
• **Fundraising:** No affordable housing project has just one source of funding. You will probably have to stitch together funds from multiple sources.

**SELECTING APPROPRIATE HOUSING TYPE AND LOCATION**

In this section you will learn about the different types of affordable housing, how to select the right type of affordable housing with your community and how to select the appropriate location with your community.

**INITIAL CONSIDERATIONS**

There are many aspects to consider in selecting the type of project and the location best suited to it. Your planned housing must suit the type of people you anticipate in the area, current residents’ needs and wants, the current workforce and the number of people expected to move into the area in coming years.

Your housing project should:
• Be realistic, be attainable and reflect the market need.
• Quantify the number and type of affordable units needed.
• Identify how you will achieve your goals.
• Identify a time frame for completion, the parties responsible and their resources or partners.

Remember that if you apply for HUD funding at any point, your project needs to be Housing First compliant. To learn more about this, check out HUD’s Housing First implementation resources. [www.hudexchange.info/programs/coc/toolkit/responsibilities-and-duties/housing-first-implementation-resources/#housing-first-implementation](http://www.hudexchange.info/programs/coc/toolkit/responsibilities-and-duties/housing-first-implementation-resources/#housing-first-implementation)
CONSIDERATIONS FOR DIFFERENT TYPES OF HOUSING

There are two main types of affordable housing — affordable housing as defined by state and federal agencies, and subsidized housing. You will need to figure out which works best for you and your community.

- **Affordable housing** (as defined by HUD) is defined as housing on which the occupant is paying no more than 30% of their gross income for housing costs, including utilities. Affordable housing can be more readily supported by state and federal funds.
- **Subsidized housing** is housing where the tenant or owner (on behalf of the tenant) receives monthly income for the difference between the apartment’s contract rent (usually the going market rate) and the amount paid by the tenant. This is also called assisted housing.

In considering your affordable housing project, you need to look at what best suits your opportunity, resources and capacity. Again, it is recommended that people new to the development process look for an experienced partner. Here are some further considerations:

**Types of Housing by Development Opportunities**

- **Are you developing ownership housing**, which means that your participation ends when the unit is sold? Or are you developing housing that will need management?
- **Property management** is difficult, requiring constant attention to the changing market and involving maintenance and landlord-tenant issues. These are even tougher when you have to evict a church member.
- **Rental housing** requires ongoing attention to the regulations of the financing source; government regulations are always changing and can be challenging to keep up with. The property owner must maintain relationships with public officials, schools and neighbors; at the same time, rental properties can bring crime and drug issues.
• **Rehabbing** is often full of surprises: environment issues (e.g. asbestos, lead paint and underground storage tanks), cost overruns, historic landmark designations, etc. Rehabbing can also displace existing residents. Many inspiring projects have succeeded, but this type of ministry is not for the faint of heart.

**Types of Affordable Housing by Community Opportunity (HUD)**

• **Senior housing** is housing in which all or at least 80% of the units have an age restriction. Such housing provides the amenities and facilities required for seniors, including rent subsidies, assisted-living care and adult day care. Or it may be a temporary home installed on a single-family site so that the senior can remain close to their family.

• **Housing for people with disabilities** is built to be accessible and to accommodate the difficulties of people with disabilities, such as hearing or visual impairment, or mental or physical challenges.

• **Multigenerational housing or co-housing** is housing in which the family is strengthened with other supportive participants.

• **Group homes** are small residential facilities located within a community and designed to serve children or adults with special needs. These homes usually have six or fewer occupants and are staffed 24 hours a day by trained caregivers.

• **Transitional housing** serves three kinds of people:
  - Refugees settling in the U.S. from other nations. To help these people adjust to a new culture, agencies generally place them where a population of their nationality already exists.
  - People displaced by and requiring resettlement due to natural or other disasters. For example, many of the people of New Orleans needed transitional housing after Hurricane Katrina.
  - Homeless people and those who need to experience adequate housing before moving on to homeownership.

• **Mixed-use housing** is projects with both retail and residential units.

• **Mixed-income housing** is projects in which some units are occupied by low-income families or individuals whereas other units are rented or sold at market value, without restriction on the resident’s income.

You will need to be able to manage some parts of the project, as well as new aspects that come up as people and events alter the course of your project.
**Additional Considerations for Choosing a Type of Housing**
Explore including green technologies in your plans. These include solar panels, heat exchangers, superinsulation, transit relationships, green roofs (energy efficiency) and roof gardens. A green component can lead to other sources of funding. The green component should reduce the energy costs of operation. More information about sustainable LEED green technologies is available from [www.usbgc.org](http://www.usbgc.org). Choosing green technologies may also inspire the entire community to be more energy-conscious.

**Selecting a Location**

**Land You Own or Land You Buy**
Whether you own land or contemplate buying a parcel for your project, there are many aspects to consider.

**For Land Owned by the Church**
- Make sure that the land size is appropriate for the land mass needed for your project, and that the site has appropriate points of access and infrastructure connections. Also check on maintaining the land’s tax-exempt status.
- Check the environmental condition of the land (past use, remaining basements, residual structures). Environmental assessment is costly and time-consuming.
- Do your environmental homework before accepting any gifted land; otherwise you could be liable for the cleanup.
- Consider whether your contemplated use of the land is compatible, complementary or incompatible with the activities of your congregation.

**Before Buying Land**
- Research comparable market values and the interests of the seller. When selling land, an owner may agree to a “bargain sale” for the tax benefits of selling below market value.
- Check for prior-use liens, fines and zoning restrictions before entering into negotiations.
- Meet with civic authorities early on about acquiring tax-exempt status for the land, to identify any resistance to this or the plan in general.
- Think about possible expansion of the project, taking into account sufficient parking, infrastructure, etc.

**Additional Location Considerations**
There are a few additional things you should consider when choosing the location of your project:
- The context and larger plan for the community. The larger plan may include not only new housing but also rehabbed and/or mixed-use housing. Determine which piece of the whole is appropriate for your efforts, making these decisions in partnership with the other elements in the community.
- Gentrification (the alternative to displacement). True to our values, we want to make sure we are not fueling displacement through gentrification. Robert D. Lupton ([Renewing the City: Reflections on Community Development and Urban Renewal](http://www.randomhouse.com/p/lupton/renewing-the-city-reflections-on-community-development-and-urban-renewal/)) has a number of books on gentrification with justice. PolicyLink, a national research and action institute advancing economic and social equity, provides a helpful tool kit for equitable development.
In launching an affordable housing project, you must balance a clear understanding of the risks against a sense that this project needs to get done. The most prominent risks include time and cost overruns. Time and cost overruns can result from planning errors, poor management or both. Time and cost overruns occur during both the preconstruction and the construction stages.

### Development Risks
Preconstruction overruns are common when project organizers don’t understand the many steps needed to finance and permit the project. Many organizers fail to budget resources for preconstruction costs (land control, taxes during preconstruction, architect up-front costs, legal costs, permit fees, etc.). Breaking ground always takes longer than one expects. Having consistent and focused leadership during this period is critical. Also, poor planning during preconstruction sets the stage for risk conditions during the construction phase.

Identifying the land and gaining site control also pose major risks. Is the land contaminated? An EPA Phase 1 Environmental Assessment and Phase 2 Environmental Assessment should be conducted before the land is purchased. Environmental cleanup is expensive and often makes a site financially unfeasible. Other possible issues include encumbrances on property title (liens, title restrictions, reverter clauses) and lack of access to appropriate infrastructure (water, sewers, alleys, etc.). Appropriate zoning and possible barriers to rezoning are other issues to research.

### Construction Risks
Time overruns during construction translate much more directly into cost overruns than during preconstruction. This can result in undercapitalization. Liquidity or cash flow during construction requires analysis of many factors. Ensuring that a project budget includes a 10% project contingency reserve is critical (rehab might require more). Retaining 10% of each advance until 30 days after completion may ensure a consistent cash flow.

A second major factor in time and cost overruns is inexperience on the part of the contractor. Selecting an experienced, well-capitalized contractor and architect go a long way toward mitigating this risk, as do builder’s risk insurance or a performance-and-payment bond on the general contractor.

### Market Risk
Good market analysis is mandatory if you want your houses to sell and your apartments to rent as anticipated. A careful and professional market analysis at the very beginning is essential. To learn more about market analysis, see page 38.

A market analysis evaluates the existing housing market for your intended buyers. Where are people living now, and at what price? What factors are most important to them? Is your site near jobs, public transportation, retail, health care and commercial services? Don’t assume that people will want to live where you build. Connecting with buyers or tenants or doing housing counseling, which helps people find and apply for affordable housing, can develop a pipeline of interested buyers or tenants.

### Management and Operational Risks
Long-term operation of an affordable rental project can pose even greater risks than construction. These often spring from decisions made during the development period about site, design, construction and budgeting. Site situations, shoddy construction and other unmanaged risks make it difficult to meet operating expectations.

Another major operating risk is an unrealistic cost structure for unit rental or operating costs. This is especially true when organizers have not adequately considered market conditions or accounted for appropriate inflation of costs such as utilities and repairs. Inappropriate management of the properties may also cost the project more in repairs and upkeep. Inadequate budget-item projections usually result in difficulty meeting the terms of the loan paybacks, which jeopardizes the project.

One way to decrease some of these risks is to recruit a development partner who has successfully built your type of affordable housing project and works well with faith-based groups. This development partner then shares the risk.
CONSIDERING A SEPARATE NONPROFIT FOR YOUR HOUSING PROJECT

Evaluating Forming a Nonprofit
Setting up your project as a nonprofit entity, separate from your congregation, is one of the most effective strategies for managing risk and gaining funding — especially government funding. Affordable housing projects unfold over the long term and require multiple funding sources; consequently their financial viability is frequently at risk. If your project is not a separate nonprofit entity, your congregation could lose major assets such as church buildings and land. At the same time, forming a nonprofit carries some risks, and this may not be the appropriate time for creating a separate entity.

The advantages of forming a separate nonprofit entity for your affordable housing project are:
• It will insulate the church from legal liability or financial responsibility for the project.
• It facilitates fundraising for the project.
• It widens the range of volunteers, who might be more likely to join a project that benefits the community than to contribute to a "church" project.
• It permits a wider range of partnerships.
• Decisions can be made more rapidly.
• Your project can be insulated from the politics and personalities of the church.
• You can better pursue potentially controversial ministries.

Questions to Evaluate Forming a Nonprofit
Use these questions to evaluate the risks of forming a nonprofit.

Q: Do we have enough support from key church staff and lay leaders for a new nonprofit?

Q: How will we ensure that the church members remain stakeholders in the mission of the nonprofit?

Q: How will we ensure that the nonprofit does not become disconnected from the mission of the church?

Q: Are we equipped to administer and fundraise for a second nonprofit?

Q: Is our congregation undergoing a significant transition in staff or board positions that might call for delaying the project?

Q: Have recent conflicts in our congregation led to a sense of distrust?
Steps to Forming a Separate Nonprofit

If forming a separate nonprofit seems advisable, the following steps may help. Remember, this is one phase during which you can readily involve members of the community or congregation, particularly when pro bono legal services are needed to complete forms and filings.

- Choose a unique name that reflects your mission and goals, and will appeal to donors, partners and volunteers.
- File articles of incorporation with the state’s corporate filing office. This document requests some basic information and includes specific language to ensure that you’ll receive tax-exempt status.
- Apply for tax-exempt status by submitting a federal 501(c)3 tax exemption application to the Internal Revenue Service.
- Draft bylaws. A nonprofit’s bylaws are its internal governing rules.
- Appoint directors. A nonprofit’s directors make the major policy and financial decisions for the nonprofit.
- Hold a meeting of the board. At the first meeting the directors adopt the bylaws and elect officers. File minutes of the meeting in the nonprofit’s records binder.
- Obtain licenses and permits. Consult your state department of consumer affairs for information concerning state licensing requirements for your type of organization.

Setting up your project as a nonprofit entity, separate from your congregation, is one of the most effective strategies for managing risk and gaining funding — especially government funding.
FINANCE

FINANCIAL PLANNING FOR AFFORDABLE HOUSING

Project predevelopment financing varies depending on the size of the project and the local conditions. In-kind contributions such as pro bono legal work can be more readily collected at this stage. Most organizations look to foundations for earlier at-risk development money. Once you are secure in your mission, have formed your development committee, have an idea of the needs and wants of your community, and have identified a possible location, do the following:

- Commission market research to determine true community need: kind of housing required, best location for housing, best population to be served. See more information on market research on page 38.
- Perform a feasibility analysis to determine whether your resources permit you to build, operate and rent/sell your project at that location.
- If building, hire both an architect and an engineer to execute a preliminary design and provide an accurate sense of the costs.
- Engage a lawyer to provide ongoing advice.
- Use a consultant to complete initial financial projections and map out a development strategy.
- Develop an operating budget for rental housing.

As you collect and analyze this information, begin to apply for funding. Packaging and financing your project will take several months. Begin looking early for funders who will subsidize the project.

Development consists of finalizing funding, beginning construction and locating equity investors and conventional lenders. You will also need to find funding sources for an operations budget if you are rehabbing existing rental housing.

Ensure that your budget includes sufficient operational funds during the construction phase. At this time, you need to develop a plan for recruiting renters or homebuyers. As construction continues, execute your plan for finding residents for your housing. If your housing project is a rental property, you will also need to develop a plan for asset management.

Ensure that your budget includes sufficient operational funds during the construction phase.
Planning a Budget

Budgets are the financial work plans for projects, programs and organizations. Good budgets are based on realistic assumptions, use reliable cost estimates and come from organizational processes that include board and staff members. They include predevelopment costs, land-acquisition costs, construction costs, soft costs and an operating budget.

A budget has several important functions:

- It provides a dollars-and-cents forecast of your organization’s finances over a certain period of time — usually a year or more.
- Once adopted, a budget becomes a measuring stick for performance.
- As a forecasting tool, a budget allows an organization to test various scenarios for programs and other vital initiatives.

Predevelopment costs are the expenses associated with determining the economic feasibility of the project. Such costs include:

- Site control (acquiring ownership of the land).
- An appraisal.
- A survey market study to determine feasibility and marketability of the project.

Environmental assessment to verify that no adverse environmental hazards exist.
Architectural design and building cost specifications.
Professional services, e.g., assembling project plan, legal, accounting, consultants, etc.

Costs incurred in the completion of a construction job include materials, labor and equipment. Construction costs are best estimated by obtaining three bids from qualified contractors. The financial consultant, architect and project manager can assist in this process. Soft costs are other eligible and necessary expenses related to planning, financing and constructing the project. These include legal fees, permits, taxes as applicable, property title, hazard and liability insurance, financing fees, interest paid during construction, and contingency fees.

The operating budget takes effect at the completion of construction; it includes estimated income and expenses.

Use a consultant to complete initial financial projections and map out a development strategy.
FUNDING YOUR PROJECT

Traditional Funding Resources
Relationships and networks will help you patch together the funding you need, both in direct donations and through connections to other groups that fund affordable housing projects.

To foster relationships:
• Start small and build relationships carefully.
• Use community-building strategies: receive gifts and skills, trust God to work through others, build faith relationships across unlikely boundaries.
• Seek relationships, creating a pipeline of people to sustain the work.
• Leverage power by enlisting the support of those in authority.
• Live out justice in your actions.

Funds can come from a variety of sources:

• **Project Sponsor/Owner’s Equity:** Equity can consist of cash, land, subordinated debt or in-kind contributions.
• **Commercial Bank Loan:** Banks will determine the amount of the loan they are willing to provide.
• **Public Financing:** City, county, state and federal government agencies administer various housing-loan programs for low-income housing.
• **Private Investors:** Private investors look for a high return on their equity and may have a reduced willingness to take risks.
• **Grants:** Many foundations, corporations and other philanthropic organizations offer grants to nonprofit organizations.
• **Capital Funds:** These funds combine corporate, public and foundational investment contributions. Each fund has certain terms and conditions.
• **Low-income Housing Tax Credits:** The Tax Reform Act of 1986 grants each state tax credits for sponsors/owners of affordable housing to allocate toward leveraging principal capital into new construction or into acquisition and rehabilitation of existing properties. The sponsor/owner can then sell these tax credits at a discount to private, for-profit investors, who apply them against their federal tax liability. The nonprofit receives the proceeds from the sale and applies them as equity in the project.

• **Municipal Housing Bonds:** Local taxing authorities may issue long-term housing-finance bonds to stimulate local affordable housing development. Make inquiries with your local housing authority to get more information.

Creative Funding Resources and Ideas
Start fundraising with your own congregation or organization. Financial support from your congregation will be key in gathering other resources. Encourage church members to remember the project in their wills, in naming insurance beneficiaries and in donating in honor of family and friends.

**Donations.** Other items that churches can donate include office space, staff time, supplies, equipment and vehicles. Donations from vendors such as plumbing and heating companies, janitorial suppliers, landscaping companies and hardware stores can assist in financing maintenance. Request a donation that is designated as a line item in the project budget.

Remember **green items** in requesting donations and writing grant proposals. These include energy-efficient products, solar panels, recycling of water, and green roofs. Professional and trade organizations can provide monetary or in-kind donations.

**Partnerships.** Check with the local United Way and other associations or nonprofits, such as fraternities, sororities and fraternal and civic organizations. Co-sponsor projects or parts of projects with other local churches. Don’t forget other religious entities. With neighborhood associations and block clubs, co-sponsor event-oriented fundraisers such as art auctions, silent auctions or dinner dances.

**Capital Campaigns.** Professional fundraisers often help with capital campaigns. Coordinate these efforts with the synod and other organizations.

**The Winds of Change**
Identify what’s hot and what’s not. Green construction currently has extensive federal funding and support; this will inspire other funding and make the housing more affordable for your prospective tenants and owners. As you plan your housing project, research what local, regional and national issues will make more funds available.
APPENDIX

HOW TO SELECT A CONSULTANT
Housing development, especially affordable housing, most often requires multiple consultants including architects, marketing professionals, environmental specialists, financial managers and project managers. Find consultants who are experienced in your kind of project and embrace your goals and mission.

Guidelines for selecting consultants when doing a sizeable project:
• Contact several competing consultants to ask what they can do for you and what they charge. Get written proposals and conduct personal interviews to determine whether the group is appropriate for your project. Check references for your top contenders and visit their completed projects. Finally, consider the cost of deliverables, the terms of payment and the timeline.
• Formulate your written contract. Clearly define the outcome you desire and the role the consultant is to play, along with the deliverables, timeline and benchmarks.
• Negotiate the total costs of the contract and spell out any extras (such as travel or printing). Cap these by specifying both a cap on the total price of the contract and penalties for not meeting deliverables.
• Be clear in the contract about costs and payments. Instead of paying all at once, make interim payments based on project milestones. Hold back a substantial portion of the total payment until the final deliverables are handed over to you. Understand the billing differential between senior and junior members on the team.
• Check with your funding source for any mandates or forms they need, but get partial and final waivers of lien if appropriate to the project.
• Meet your obligations in a timely manner, whether you’re providing information, granting access to a site or making partial payments. Communicate regularly with your consultant, sharing progress and challenges.
The ache for home lives in all of us, the safe place where we can go as we are and not be questioned.

Maya Angelou