

MEMO OF MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

Volume 8, Issue No. 21 • May 30, 2003

Priced Out

Priced Out in 2002 Released

The Technical Assistance Center (TAC) and the Consortium for Citizens with Disabilities this week released *Priced Out*, their biennial comparison of rental housing costs and Supplementary Security Income received by people with disabilities (SSI). The federal SSI program provides a monthly income of \$545 to people with long-term disabilities who have no other source of income. Twenty-four states add a small supplement to SSI.

Priced Out in 2002's most significant finding is that for the first time ever, average rent for a modest one-bedroom apartment, based on HUD Fair Market Rents (FMRs), was greater than the average *entire* SSI payment made to those with disabilities living independently. In 2002, the average entire monthly SSI benefit was \$595.38 (including additional state benefits). At 105.5% the amount of average fair market rent, this is up from 98% in 2000. "If SSI is the safety net, then a lot of Americans are falling through," said Ann O'Hara of TAC.

(See **Priced Out** on p. 2)

HUD

HUD Listens to Right Wing But Excludes Residents in First HOPE VI Meeting

On Wednesday, May 28, Assistant Secretary for Public and Indian Housing Michael Liu held the first in a series of HOPE VI meetings in Washington to discuss possible alternatives to the revitalization program. HOPE VI was slated for elimination in President Bush's FY04 budget proposal, causing alarm among housing advocates and Members of Congress. As a result, Senators Barbara Mikulski (D-MD) and Christopher Bond (R-MO) Ranking Member and Chair respectively of the Senate VA-HUD Appropriations Subcommittee, directed HUD Secretary Mel Martinez to consult with interest groups to discuss the future of HOPE VI and public housing revitalization. In their Review Initiative, HUD plans to gather recommendations that are available to Congress. (Bipartisan legislation to reauthorize HOPE VI has since been reported out of the House Financial Services Committee.)

Many housing industry leaders and advocates learned of the meeting from an article posted by the *Associated Press* the day after the meeting. Although reportedly those in attendance were asked to keep secret the content of the discussion, copies of the letter of invitation, the agenda, and the list of attendees circulated among DC-based housing advocates on Thursday.

Many of the 21 invitees appear to be for-profit developers, and few people have direct public housing experience. Ominously, in attendance at the meeting was Howard Husock, the right-wing commentator associated with the Manhattan Institute, whose writings are pejorative about public and assisted housing and especially negative about the people who live there. No residents or advocates who represent residents were invited or in attendance, nor were the public housing industry organizations.

The first meeting appears to have been hastily called, with invitations arriving in

(See **HUD** on p. 2)

POINT OF VIEW

by Sheila Crowley, President

No sooner had President Bush signed into law the latest tax cut than Congressional leaders Senator Bill Frist (R-TN) and Representative Dennis Hastert (R-IL) announced their next fiscal folly, the permanent repeal of the estate tax. This is their *summer* priority. There can be no doubt that those in power today fully intend to execute their plan to enact one tax cut after another for as long as they can, no matter what the consequences are for the health of the federal government and the well-being of the American people. Indeed, the point is to run up such deficit and debt that the only option will be to extricate the federal government from its commitments to the American people.

Just a few weeks ago, this analysis was dismissed as left wing hyperbole. On April 23, the *Associated Press* reported that HUD Secretary Mel Martinez said in a speech in New Orleans that "this administration is not going to slash and burn and run away from the safety-net programs." Well, maybe not slash and burn, but starve and strangle and you are just as dead. Paul Krugman reports in his column this week that even *The Financial Times* of London, hardly an example of the so-called "liberal media," has denounced the Bush tax cuts and calls the fiscal crisis that they will precipitate a "back-door" strategy to get rid of popular social programs. Mr. Krugman quotes *The Financial Times*: "For (the extremists), undermining the multilateral international order is not enough; long-held views on income distribution also require

(See **Point of View** on p. 7)



NATIONAL LOW INCOME
HOUSING COALITION

Priced Out *(cont'd from p. 1)*

For the 1.4 million people with disabilities who receive SSI and live in the community, the growth in housing costs continues to outstrip income growth. While this is true for most segments of the population, and low income groups most acutely, people with disabilities are particularly vulnerable to substandard housing and homelessness. Often the extent of the crisis is hidden from view, as hundreds of thousands of people with disabilities live in institutions and homes outside the experience of those without disabilities. In their forward, Nan Roman, President of the National Alliance to End Homelessness, and Carla Javits, President of the Corporation for Supportive Housing, directly link the need for federal housing subsidies and the difficulties that particularly affect people with disabilities to the problem of homelessness.

At the state level, Massachusetts has the highest rents relative to SSI payments, 135% higher. But Maryland, Hawaii, and New York are not far behind. Since state numbers say relatively little about local housing markets, the real meat of the report is in its assessment of cities and counties. In analysis of the 2,702 housing markets in the United States, not a single one was found to be affordable for a person whose only income is SSI. In 17 of the country's housing markets, the rent for a modest one-bedroom apartment exceeded 150% of the monthly SSI payment. The highest rents were found in San Francisco, where the FMR for a one-bedroom apartment was 205% of the SSI rate for individuals (including a state supplement paid in California). While some other large cities such as Boston are included in this list, a number of wealthy suburbs such as Westchester County, NY, and San Miguel County, CO, also make the list. *Priced Out* also references NLIHC's annual *Out of Reach* report, which uses FMRs to determine the amount of income a person must earn per hour to afford housing in any jurisdiction. While the 2002 housing wage for a one-bedroom rental unit is \$12.08 an hour, SSI recipients receive only one-third that amount.

As in the past, *Priced Out in 2002* also provides policy recommendations. Number one on the list is enacting a National Housing Trust Fund. Other recommendations include better targeting of Section 8 vouchers, better disabled access to "mainstream" HUD programs, limiting and enforcing elderly only designations in public housing, and continued support and expansion of the Section 811 program and other programs targeting the most vulnerable. The report is available at www.tacinc.org.

HUD *(cont'd from p. 1)*

the mail only late in the previous week. The agenda indicates that this group will meet at least twice more in the coming month. The outcomes of the meetings are to be presented in a report to the Senate Appropriators.

NLIHC President Sheila Crowley sent a letter on Thursday to Secretary Martinez indicating both dismay and displeasure with the exclusion of residents and resident advocates from the HOPE VI consultation, questioning the validity of any report based on a consultation that omitted the perspective of residents, and requesting that residents and resident advocates be included in the additional meetings. Other advocates are similarly calling upon the Secretary to have an open process.

HUDClips

HUD posted Docket No. FR-4852-N-01 on May 28 announcing proposed Fair Market Rents (FMRs) for the Housing Choice Voucher program and Moderate Rehabilitation Single Room Occupancy program for FY04. HUD is asking interested persons to submit comments regarding the proposed FY04 FMRs. FMRs are gross rent estimates; they include shelter rent and the cost of utilities, except telephone, that are set by HUD to assure that a sufficient supply of rental housing is available to program participants. FMRs are published annually and are used to determine initial rents for housing assistance payments in the Moderate Rehabilitation SRO program and for some expiring project-based Section 8 contracts, as well as to determine the payment standard amounts for the Housing Choice Voucher program. For technical information on the methodology used to develop fair market rents or a listing of all fair market rents, call HUD USER at 1-800-245-2691 or visit www.huduser.org/datasets/fmr.html. Comments are due by June 27, 2003.

Mortgagee Letter 2003-07, dated May 22 and addressed to approved mortgagees and Federal Housing Administration (FHA) roster appraisers, provides a summary of the final rule to prevent the practice of property flipping. On May 1, HUD had published the final rule on the flipping of properties with mortgages insured by FHA. Property flipping occurs when a recently acquired property is resold for a substantial profit with an inflated value, often facilitated by an appraiser's relationship with a lender.

All notices are available at www.hudclips.org.

Capitol Hill

District Work Period Winding Down

The House and Senate's Memorial Day District Work Period is coming to an end. Both chambers are due to return to session on Monday, June 2.

CTC Excludes Low Income Working Families; More Tax Cuts Planned

Major media outlets, including the *New York Times*, first pointed out on May 29 that the expansion of the child tax credit from \$600 to \$1000 per child in the tax cut bill the President signed on May 28 left out certain low income working families – those earning between \$10,500 and \$26,625. Senator Blanche Lincoln (D-AR) had pushed for the Senate's proposed tax cut bill to include an acceleration of the refundability percentage of the child tax credit from 10% to 15% of a family's earnings in excess of \$10,000, a change that is otherwise not due to take place until 2005. The accelerated refundability is crucial in enabling low wage workers with no or limited income tax burden to receive checks in the mail this summer just like other families with children. In the pressure to keep the overall price of the bill under \$350 billion in the conference between the House and Senate, the accelerated refundability of the child credit ended up on the cutting room floor.

The Center on Budget and Policy Priorities, which the *Times* cited in its front page story, estimates that nearly 12 million children from low income working families would have benefited from the Senate's accelerated refundability for the child tax credit. Three-fourths of these families will receive no benefit at all from the child tax credit provisions in the final legislation. The Center notes that putting additional funds in the hands of these families would boost consumer demand and thereby support job growth. In making the choice – when pressed to keep the tax cut under \$350 billion – not to reduce the tax cuts on dividends and capital gains or to limit the reduction in rates on the highest income brackets, Congress sided with tax cuts that are less likely to stimulate the economy, which calls into question justifications given for the tax cuts by Congress and the Administration. On May 29, the *Times* reported that the Administration defended the deletion of the accelerated refundability provision in the final version of the tax bill on the grounds that the tax cut legislation was to provide tax breaks to families with incomes high enough to pay income tax, not lower income families. Senate Minority Leader Tom Daschle (D-SD) sent a letter to the President on May 28 requesting corrective legislation, paid for by reduction of other tax cuts in the bill benefiting upper income taxpayers.

The families left out of the expanded child tax credit are

those that also face a serious housing affordability crisis. As NLIHC's *Out of Reach* and other studies from the Millennial Housing Commission and the National Housing Conference document, the paychecks of low wage workers have not kept up with housing costs, leaving many families paying too much in rent, living in substandard housing, or both. The acceleration of the refundability of the child tax credit would have augmented the limited resources of these low wage families.

Meanwhile, some in Congress are already contemplating more tax cuts, including – as advocates had predicted – making permanent the tax breaks in the most recent legislation and the 2001 tax cut legislation, as well as increasing tax-free savings for retirement, according to *CQ Today*. United for a Fair Economy sounded the alert that leaders in the House and Senate have also once again declared repeal of the estate tax a priority.

Appropriations in Limbo

Despite one-party control of the White House and both chambers of Congress, the appropriations process is still stuck. As reported by the Center on Budget and Policy Priorities, domestic discretionary spending in the budget resolution for FY04 would be limited to \$7.2 billion below baseline (last year's funding, adjusted for inflation). As a result, the allocations to the individual committees – known as the "302(b) allocations" – have not yet been completed, with *CQ Today* listing for weeks a date "to be announced" for a markup of the allocations. Some have reported that allocations might be put forward in the Senate by the end of the first week in June.

According to *CQ Today*, a range of proposals is under consideration for moving the allocations process forward. House Appropriations Committee Chair Bill Young (R-FL) has proposed shifting money from defense to domestic spending, with the defense funding restored through a supplemental appropriations bill. Meanwhile, Mr. Young's counterpart, Senator Ted Stevens (R-AK), has reportedly suggested an across-the-board cut after making allocations based on the Presidents' slightly higher funding request. The conundrum of insufficient funding is so problematic that some are predicting as difficult an appropriations process for FY04 as for FY03, where an omnibus bill covering 11 of the 13 appropriations subcommittees did not pass until more than four months into the fiscal year.

Assistant Secretary Confirmed

On May 22, Steven B. Nesmith was confirmed by the Senate as Assistant Secretary for Congressional and Intergovernmental Relations at HUD.

Resources

Punishing Poverty

This month, the National Law Center of Homelessness and Poverty (NLCHP) released an update in their efforts to monitor and respond to the criminalization of homelessness. In January 2002, NLCHP released its *Illegal to be Homeless* report based on a survey of existing laws in 57 communities. This survey found that each of these communities had insufficient shelter or transitional bed space coupled with significant public space restrictions on activities such as eating, sleeping or sitting down. The 2003 report, *Punishing Poverty: The Criminalization of Homelessness, Litigation, and Recommendations for Solutions* looks at litigation over the last year that has attempted to challenge public space restrictions and programs and policies that look to provide alternatives to public space for use by people experiencing homelessness.

Of the 79 cases documented in the report, the largest category (42%) includes challenges to restrictions on public space. Twenty-eight percent of the cases are challenges to anti-begging, soliciting, or loitering laws, and 24% respond to vagrancy and loitering laws. The most significant increase was in challenges to vagrancy and loitering laws in the wake of the favorable Supreme Court decision in *City of Chicago v. Morales*, which overturned that city's "Gang Congregation" law.

Some of the examples of providing alternatives were Miami and Washington, D.C., where the city (in Miami) and the downtown Business Improvement District provided centers with facilities and services for people experiencing homelessness to use during the day. In Philadelphia and Fort Lauderdale, advocates and the city have increased their cooperation to provide services and shelter space. The report also identifies five "worst examples:" New York City, Palm Beach County, FL, Albuquerque, New Orleans, and Orlando are all cited as becoming more hostile to people experiencing homelessness in 2002.

Punishing Poverty is available for sale from NLCHP; call 202-638-2535 or visit www.nlchp.org.

Do you currently receive *Memo* by fax? If so, please consider switching to email delivery: You'll receive a higher-quality reproduction each week, and emailing is substantially less expensive than faxing, so you'll help NLIHC reduce costs. To switch, call 202-662-1530 x227 or email memo@nlihc.org.

Student Mobility

Student Mobility: How Some Children Get Left Behind is the 177-page Winter 2003 issue of *The Journal of Negro Education*, guest-edited by Chester Hartman of the Poverty & Race Research Action Council and Todd Franke of UCLA. The 14 articles, written by a diverse group of education reformers, academic researchers, and school system officials, deal with specific subpopulations: homeless, immigrant, special education, migrant farmworker and foster care students, and treat the impact of welfare reform and the No Child Left Behind Act on classroom mobility. NLIHC President Sheila Crowley's article titled *The Affordable Housing Crisis: Residential Mobility of Poor Families and School Mobility of Poor Children* looks at the implication of residential mobility on children's success in school through an examination of the role of federal housing policy; both school-based and housing-based strategies for dealing with the issue are discussed. Five "best practices" case studies are also offered. Residential instability is identified as the principal cause of school instability.

Copies of the special issue are available (\$10) from JNE, PO Box 311, Howard University, Washington, D.C., 20008.

Fact of the Week

Housing Costs for People with Disabilities

Number of people with disabilities living on SSI benefits: 3.7 million

Number of people with disabilities receiving SSI living in the community: 1.4 million

The average entire monthly SSI payment of \$595.38 (including state supplements) is 105.5% the amount of average fair market rent.

Source: *Priced Out in 2002*, Technical Assistance Collaborative and Consortium for Citizens with Disabilities Housing Task Force, May 2003.

Tell Your Friends...

NLIHC membership is the best way to stay informed about affordable housing issues, keep in touch with advocates around the country, and support NLIHC's work. Membership information is available at www.nlihc.org, or by fax, mail, or e-mail. Just e-mail membership@nlihc.org or call 202-662-1530 to request membership materials to distribute at meetings and conferences.

National Housing Trust Fund People & Faces

City of Mountain View, CA, Joins

The City Council of Mountain View, CA, endorsed the National Housing Trust Fund Campaign this week, making the city the 41st local government to join the Campaign. The list of endorsers continues to grow, and is now at 4,172. More information is available at www.nhtf.org.



News & Events

Financial Management Conference

The Local Initiatives Support Corporation (LISC) will present The Financial Management Professionals' Conference in Chicago on July 31 and August 1. This conference is the only professional development and networking event for finance managers in the community development industry, and is geared towards the finance and accounting staff of CDCs and other not-for-profits, board treasurers and members with financial responsibility, and financial consultants and technical assistance providers. Through interactive workshops, plenary and peer to peer sessions, participants will share best practices and industry specific information, examine current trends, and explore how today's managers can best build and maintain financially sound community development organizations. For more information, contact LISC Program Officer Lisa Deller at (212) 455-1619 or email ldeller@liscnet.org.

Demographic Analysis Workshops

One-day Local Area Demographic Analysis (LADA) Workshops will be held in Atlanta on July 17th and 18th. The workshops are designed to help those who would like to easily look up and analyze demographic characteristics (such as race, income, age, language, transportation, employment and housing) learn how to analyze, extract and present 2000 or 1990 Census (focusing on long form SF3 data), American Community Survey and Census Supplemental information.

Participants will also construct a 1990-2000 Community Change Profile for Atlanta and Atlanta Census tracts focusing on twenty demographic variables, learn how to work with non-Census geographic boundaries and boundary changes over time, key elements of a strong demographic analysis, transforming raw data into information and the visual representation of data. While the workshop will focus on Atlanta, the techniques presented will be applicable to any location. Space is limited to 16 participants. Register or find details at www.smartgirltechnologies.com.

Changes at HUD, DOJ

Two stalwart housing veterans are leaving federal employment. Rod Solomon, who has been a HUD Deputy Assistant Secretary for Policy in the Office of Public and Indian Housing, is going to the D.C.-based law firm of Hawkins, Delafield & Wood. Mr. Solomon has been at HUD through three secretaries, and came to HUD after 14 years with the Boston and Atlanta housing authorities. Mr. Solomon has gained the reputation as a trustworthy ally of public housing residents and advocates, even when there was not 100% agreement on the issues. He was relieved of his duties as Deputy Assistant Secretary earlier this year.

Joan Magagna has been asked to leave the U.S. Department of Justice (DOJ) after for 27 years of service. She is resigning her position as Chief of the Housing and Civil Enforcement Section of the Civil Rights Division. Ms. Magagna has pushed DOJ to take on tough fair housing cases and is a highly regarded civil rights litigator, as well as section manager.

The departures of Mr. Solomon and Ms. Magagna from the federal workforce marks a serious loss to the housing community that will be most harshly felt by those Americans who have relied on their service to protect basic housing rights.

NLIHC Staff

Sheila Crowley, President, x224
 Daniyel Dickey, Legislative Intern, x232
 Julie Eisenhardt, Field Organizer, x223
 Natalie Havlin, Communications Intern, x244
 Melissa Higuchi, Membership Associate, x227
 Harry Lawson, Field Director, x243
 Khara Norris, Executive Assistant, x224
 Krishna Patel, Communications Intern
 Danilo Pelletiere, Research Director, x237
 Irene Basloe Saraf, Legislative Director, x242
 Kim Schaffer, Communications Director, x230
 Michelle Goodwin Thompson, Office Manager, x234
 Carol Vance, Receptionist/Office Assistant, x221
 Cathy White, Deputy Director, x228
 Kim Willis, Policy Analyst, x314

Point of View (cont'd from p. 1)
radical revision" (*New York Times*, May 27, p.A27).

Recognizing that values of fairness and equity are not part of the mindset of those making these decisions helps explain that which we perceive as outrageous. The late night axing of any benefit from the tax cut for low wage earners (see tax bill article in elsewhere in *Memo*) is an example. Another is the House leadership's new campaign on waste, fraud, and abuse that appears to be more focused on programs that benefit low income people, such as the earned income tax credit, housing assistance, and nutrition programs, than any other area of government spending. In his May 21 press release on this subject, House Majority Leader Tom DeLay (R-TX) cited \$3.3 billion in housing assistance overpayments by HUD in 2001 as one example of waste, fraud, and abuse, but could find *only* \$1.9 million to complain about at the Defense Department. (Please note that Mr. DeLay also misspoke when he said HUD overpayments. The OMB report that appears to be the basis for his assertion refers to "erroneous" payments, which includes both over- and underpayments in all housing subsidy programs, not just HUD.)

My senior citizen next-door neighbor and I commiserate about the state of our country across our front porch railings every few days. He is dismayed. He says his mother taught him that if you are lucky enough to have more than you need, you are obligated to share it with someone who is not so lucky. How did America get so far away from what should be fundamental to our national value system?

NLIHC Staff

NLIHC Seeks Applicants

NLIHC is seeking applicants for two new full time positions. One is a research associate and the other will do a combination of field organizing and media work. Both positions are funded through the end of 2004. Knowledge of federal housing policy is preferred; commitment to social justice is required. Bachelor's degree is minimum educational requirement. Applicants with relevant training and experience and who are available to begin within two weeks should send cover letter and resume to Cathy White, Deputy Director, immediately. (cathy@nlihc.org or fax to 202-393-1973). EOE/AA. Application deadline is June 4, 2003.

NLIHC Welcomes Interns

Two summer interns have begun work with NLIHC this week. Daniyel Dickey will be spending the summer as the Legislative Intern. Daniyel is currently attending the University of Illinois at Champaign-Urbana, pursuing a master's degree in urban planning. Daniyel, who is originally from Park Forest, IL, is involved with the America Reads program at the University as a Graduate Coordinator. In 2002, he graduated from Morehouse College in Atlanta, GA with a BA in Economics.

Krishna Patel joins the Coalition as Communications Intern. Krishna will be a junior at New York University in the fall, where she is a politics and metropolitan studies major with a minor in creative writing. Krishna hails from Silver Spring, Maryland. Welcome, Krishna and Daniyel!



About NLIHC: Established in 1974, the National Low Income Housing Coalition is dedicated solely to ending America's affordable housing crisis. NLIHC educates, organizes, and advocates to ensure decent, affordable housing within healthy neighborhoods for everyone. NLIHC provides up-to-date information, formulates policy, and educates the public on housing needs and the strategies for solutions.

National Low Income Housing Coalition
Memo to Members
May 30, 2003
Vol. 8, No. 22