

MEMO OF MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

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Capitol Hill

Senate Accelerates Child Tax Credit, Expands Eligibility

On June 5, the Senate passed a bill that would provide a refundable child tax credit for low income working families who had been left out of the broader tax cut bill that was signed by the President the week before. There had been ongoing media coverage of the last-minute decision by the Republican House and Senate negotiators, who, in pulling together the final version of the broader tax cut bill, left out an acceleration of the refundable child credit provision. That provision, proposed by Senator Blanche Lincoln (D-AR), had passed as part of the Senate's tax cut bill and would have benefited 12 million children in certain low income working families.

Senators spent the week negotiating about the shape of legislation to accelerate the child tax credit provision for those families. The bill that passed on Thursday would accelerate the increase in the refundable aspects of the child tax credit, benefiting 6.5 million families earning between \$10,500 and \$26,625. The bill passed 94-2, with Senators Don Nickles and James Inhofe, both Republicans of Oklahoma, voting against the legislation. The bill number is H.R. 1308, a tax bill originally introduced and passed in the House; Senator Charles Grassley (R-IA) offered an amendment that substituted the entire text of the original bill – which was waiting Senate consideration – with a new version that included the bipartisan child tax credit provision.

The Senate would offset the cost of accelerating the child tax credit for low income families with an extension of Customs Service user fees. In an attempt to mollify House members in advance, the bill would also simplify the definition of "child," includes language to ensure that members of the armed forces serving in

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HUD

HUD Kicks Off Second Annual Homeownership Month

There were several events on Capitol Hill surrounding homeownership this week, as HUD announced June to be the second annual Homeownership Month. On June 3, HUD Secretary Mel Martinez; several Members of Congress; and Tom Jones, Vice President of Habitat for Humanity International, held a press conference announcing programs supporting homeownership for low income families.

HUD kicked off the month by launching the "Homeownership Express," a nationwide bus tour that will support the President's "Blueprint for the American Dream" initiative. The purpose of the initiative is to make homeownership a reality for low income individuals, with a focus on minorities. The tour is designed to offer information on ways to make buying a home easier and services more accessible.

In addition, Mr. Jones announced "Congress Building America," a collaborative with Members of Congress, Habitat for Humanity, HUD, and nonprofit and corporate sponsors to promote volunteerism and the production of new, affordable single-family homes. The goal of the initiative is to also encourage Members of Congress to partner with Habitat for Humanity to build homes. As a part of "Congress Building America," joint resolutions were introduced in both the House

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POINT OF VIEW

by Sheila Crowley, President

I am one of the fortunate people present last week when Bill Moyers addressed the Campaign for America's Future conference. Moyers examined the political and economic conditions of the late 19th century that led to the Progressive Era. With exquisite prose and a breathtaking command of history, Moyers skillfully drew the parallels between the Gilded Age and our own, including interesting parallels between the presidencies of William McKinley and George W. Bush. The resurgence of social Darwinism was a theme Moyers explored in depth.

Social Darwinists of the 19th and early 20th centuries misused the science of evolution to justify gross disparities in the social order. It was the natural order for some people to prosper and for many to suffer. Left to its own devices, the market would function perfectly for those who were worthy; for those left out, it was meant to be, however unfortunate. Eventually, reformers in social work, unions, law, journalism, and public health exposed the destructiveness of poverty and the exploitation of the poor. Pensions, maternal and child health, child welfare, juvenile justice, conservation of national resources, the 40-hour week, the federal income tax, and much more that we now take for granted all emerged during the Progressive Era. The squalid physical conditions of the urban poor living in overcrowded tenements, lacking ventilation and sanitation, led cities and states to enact model tenement laws, and eventually housing health and safety standards. The advent of what today are termed regulatory barriers must

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NATIONAL LOW INCOME
HOUSING COALITION

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Iraq would receive the credit, and would increase the income caps on the phase-out of the child tax credit so that it would also benefit higher income families. The change would mean that the gradual phase-out of the credit would not begin until a family with at least one child earned more than \$150,000, rather than \$110,000 under current law. Under the bill, some families with incomes of more than \$200,000 would also receive a portion of the tax credit. While House Majority Leader Tom DeLay (R-TX) had originally expressed a lack of interest in accelerating the refundability of the child tax credit for lower income families unless it were to move with another major tax cut – such as the elimination of the estate tax – *CQ Today* reports that House leadership is now planning to act quickly on the legislation sent over by the Senate. There is concern, however, that House members may still try to add other tax cut provisions to the legislation in the House. The White House has said it would sign the legislation, though it has not been actively engaged in its progress.

The Center on Budget and Policy Priorities (CBPP), in a paper issued June 5, notes that the bill's tax benefits for higher income families is an entirely new proposal, while the extension of the child tax credit for lower income working families is simply an acceleration of a proposal that was otherwise scheduled to go into effect in 2005. CBPP points out that, under the bill, the child tax credit would reach more families on the higher end of the income ladder than the House or Senate had originally contemplated, while no additional lower income families would be eligible for increased refundability other than those already scheduled for the increase in 2005. Ultimately, in order merely to provide the same acceleration for lower income families in the child tax credit that other families have already received in the broader tax bill, the Senate had to sweeten the pot with yet another benefit for higher income families, who already benefit disproportionately from the broader tax bill.

Just Rumors on Appropriations

There had been rumors that the allocations for the appropriations bills might be released by the end of the first week in June, but the 302(b) allocations still remain a mystery. *CQ Today* has reported that the VA-HUD-IA appropriations bill, along with the Labor-HHS bill and Department of Homeland Security funding, are anticipated as sites for major appropriations battles.

There are several reasons to be worried about how HUD will fare. First, it would be difficult for HUD to come out a winner in its competition with Veterans Affairs funding just following a war. Second, there are concerns that the funding for Section 8 vouchers is

short – perhaps by \$500 million – although the evaluation of the adequacy of the President's request for voucher funding will be improved by the release of data collected by HUD in early April from public housing agencies about voucher utilization and costs. In addition, there appears to be bipartisan support for the HOPE VI program, funded at \$575 million last year but zeroed out by the President. Thus, between Section 8 and HOPE VI alone, appropriators will likely need to find more than \$1 billion more than the President has requested for HUD within the scope of an overall federal budget resolution that is below the President's request.

More Housing Hearings

On June 10, the House Subcommittee on Housing and Community Opportunity will hold a hearing titled "The Section 8 Housing Assistance Program: Promoting Decent Affordable Housing for Families and Individuals who Rent." The hearing will begin at 10 a.m. in room 2128 of the Rayburn building, and witnesses will include voucher tenants and organizations representing public housing agencies and cities. There will be another hearing on June 17, at which the subcommittee will hear from academics about the Section 8 program.

The Senate Committee on Banking, Housing and Urban Affairs is holding a hearing on "Expanding Homeownership Opportunities" on June 12 at 10 a.m. in room 538 of the Dirksen building. The witnesses will be HUD Secretary Mel Martinez; Bobby Rayburn of the National Association of Home Builders; Cathy Whatley of the National Association of Realtors; Tom Jones of Habitat for Humanity International; and Terri Montague of The Enterprise Foundation.

New Legislation

On June 2, Representative Nydia Velazquez (D-NY) introduced H.R. 2298, the Earnings and Livings Opportunity Act. The bill would amend the Housing and Urban Development Act of 1968 to ensure improved access to employment opportunities for low income people. The bill was referred to the Committee on Financial Services.

On June 5, Representative Jan Schakowsky (D-IL) introduced H.R. 2353. The bill would require all newly constructed, federally assisted, single-family houses and townhouses to meet minimum standards of visitability for persons with disabilities. The bill has been referred to the Committees on Veterans' Affairs and Financial Services.

Representative John Lewis (D-GA) introduced H.R. 2372 on June 5, and the bill has been referred to the

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Committee on Ways and Means. The bill amends the Internal Revenue Code of 1986 to provide an increased low income housing credit for property located immediately adjacent to qualified census tracts.

H.R. 2373 was introduced on June 5 by Representative Carolyn Maloney (D-NY). The bill authorizes the Secretary of HUD to make grants to nonprofit community organizations for the development of open space on municipally owned vacant lots in urban areas. The bill has been referred to the Committee on Financial Services.

On June 5, Representative Michael Simpson (R-ID) introduced H.R. 2385, which has been referred to the Committee on Education and Workforce. The bill amends the Rehabilitation Act of 1973 to provide for more equitable allotment of funds to states for centers for independent living.

Senator Ted Stevens (R-AK) introduced S. 1205 on June 5. The bill provides discounted housing for teachers and other staff in rural areas of states with a population of less than 1 million and with a high population of Native Americans or Alaska Natives. The bill has been referred to the Committee on Indian Affairs.

Bills at a Glance

Current information on legislation being tracked by NLIHC is now available through NLIHC's new legislative action center, at <http://capwiz.com/nlihc/issues/bills/>.

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

and Senate (H.Con. Res.184 and S.Con. Res 43) decreeing that "everyone in the United States should have a decent home in which to live." The resolutions also charge Members of Congress, Habitat for Humanity, and other organizations to sponsor and construct two homes in the Washington, D.C., metro area, among other provisions supporting the production of affordable housing. The Senate resolution passed in late May, and the House resolution is pending.

At the press conference, Members of Congress praised Habitat for Humanity for partnering with low income families to build affordable homes. There was a resonating theme that providing a home provides stability and strengthens families. While most of the focus was on homeownership, Senator Jack Reed (D-RI) stressed that more had to be done to provide all types of affordable housing, including rental. Senator Paul Sarbanes (D-MD) urged Secretary Martinez to work with Congress and support programs to provide affordable housing. Senator Elizabeth Dole (R-NC) also asked

that more attention be given to not only eradicating homelessness, but also hunger, saying "there is nothing more [important] than having food and a home that is safe and secure, providing stability."

Millard Fuller, President and Founder of Habitat for Humanity, also announced the "Campaign to End Poverty Housing." One hundred cities, mostly in the south, are participating in the campaign. To kick off the campaign, Habitat for Humanity and other volunteers will build 12 houses in three cities in five days. "Every family, as a minimum, needs a decent place to live," said Mr. Fuller.

Also on June 3, Senators Debbie Stabenow (D-MI) and Gordon Smith (R-OR) introduced S.1175, The First Time Home Buyers' Tax Credit Act of 2003, which provides one-time tax credits to first-time homebuyers. To be eligible for the \$3,000 individual credit or the \$6,000 credit for a married couple, beneficiaries must be first-time homebuyers who are within the 27% or lower tax bracket in the year before they purchase their home. Homebuyers would have the option of either claiming the credit in the year after they buy their first home or transferring the credit directly to a lender at closing to go toward the down payment or closing costs. "This is the best option for promoting homeownership (because) the tax credit is given directly to the individual," Senator Smith stated.

As asserted by all housing professionals involved in homeownership initiatives, the biggest barriers to homeownership for working families are the cost of down payment and closing costs. Senator Stabenow presented data from the Mortgage Bankers Association, which estimated that typical closing costs on an average sized loan of \$175,000 could quickly approach \$4,000. Along with the downpayment, this total can be more than \$9,000.

In addition, USDA has announced a "five-star commitment" to assist in meeting the President's goal of helping 5.5 million minority families become homeowners by 2010, as homeownership rates have remained lower for rural minorities than for white rural residents. The five stars are lowering fees; doubling the number of self-help participants by 2010; increasing participation by minority lenders; promoting credit counseling and homeownership education; and monitoring lending activities. Agriculture Secretary Ann Veneman announced earlier that, while minorities already make up 50% of participants in RHS's self-help homeownership program, USDA pledges to increase this participation by 10% by 2010.

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HUD (cont'd from p. 4)
Groups March to HUD Secretary's Home to Get Meeting

On Sunday, June 1, 1,000 grassroots community leaders with National Peoples Action visited HUD Secretary Mel Martinez's home to secure a meeting with the Secretary for the following day. NPA leaders have requested a meeting with Mr. Martinez to discuss housing issues several times over the past two years, but Monday's meeting was the first they were able to secure.

"Mr. Martinez told us that no cause we (NPA) promote gives us the right to visit him at home. Well, NPA believes that no public official has the right to ignore their constituents – the people who need housing the most and who he (Mr. Martinez) gets paid to serve," said Inez Killingsworth, co-chair of National People's Action.

On June 2, 15 NPA leaders met for 30 minutes with Mr. Martinez, Federal Housing Administration Commissioner John Weicher, and Assistant Secretary for Community Planning and Development Roy Bernardi. Leaders requested that HUD take immediate action on several city-specific items that members are facing, including misdirected Community Development Block Grant (CDBG) funds, the pending demolition of housing through the HOPE VI program, and thousands of vacant HUD and non-HUD owned buildings that are standing abandoned.

While he stated his unhappiness with the visit to his house, NPA got commitments from Mr. Martinez, Mr. Weicher and Mr. Bernardi for follow up on specific issues raised by leaders. NPA says Mr. Martinez would not commit to a future meeting with NPA, but leaders are committed to forming a partnership with the current HUD administration.

HUDClips

On June 4, HUD's Office of Housing issued Notice H 2003-10, reinstating and extending Notice H 2001-02 through May 31, 2004. Notice H 2001-02, which had expired on February 28, 2002, provides information about the requirements on nondiscrimination on the basis of disability under federal housing programs, including Section 504 of the Rehabilitation Act of 1973 and the Federal Fair Housing Act.

The Office of Federal Housing Enterprise Oversight (OFHEO) announced under Directive Number 03-13282, issued on June 4, that it is soliciting comments to inform the updating of its strategic plan for FY03 through FY08. OFHEO's current strategic plan, covering FY00 through FY05, is available for review at www.ofheo.gov. Comments are due by June 18.

All notices are available at www.hudclips.org.

USDA
USDA Proposes Significant Changes for Multifamily Housing

The Rural Housing Service (RHS) of the U.S. Department of Agriculture (USDA) published a proposed overhaul of regulations governing multifamily housing in rural areas on June 2 after a drafting process several years long. RHS proposes to consolidate 13 existing sets of regulations into one, and to move information about procedures and implementation into three handbooks. The handbooks, which have not yet been completed, will not be subject to public review and comment before the agency adopts them.

The changes will affect the RHS programs that serve the lowest income rural people: the Section 515 Rural Rental Housing program, the Section 514 and 516 Farm Labor Housing loan and grant programs, and the Section 521 Rental Assistance (RA) program. Tenants currently living in Section 515 units have an average annual income of \$8,028. The majority relies on additional help to pay their rents: 62% receive RA, and 18% have HUD Section 8 assistance or some other rent subsidy. The average income of the tenants receiving these rental subsidies is only \$6,422.

Rural housing organizations are still reviewing the 80 page proposal. Early impressions note both positive and negative aspects. Several of RHS's well-intentioned proposals could increase rent levels, thus raising either the income requirements for tenants or the amount of rental subsidies needed. First, requirements for project reserves would be increased to provide adequate funds for rehabilitation as buildings age. Second, it would be easier for developers to use design features such as brick exteriors and increased insulation that raise initial project costs but save money in the long run. Annual audits would be required for projects with 16 units or more, rather than the current 24 or more.

Third, the calculation of basic rent, which currently uses operating costs, would be allowed to take into consideration a return on the borrower's equity. On the other hand, rents are not now capped, but the new regulation would limit them, using a new concept dubbed "Conventional Rents for Comparable Units" (CRCU). The new regulation would define CRCU as market rate rent in the same area for comparable units that do not receive government assistance.

The new rule would improve some protections for tenants in cases where project owners want to prepay their mortgages. Currently, owners must send only one

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Resources

Maps on the Web

One of the most powerful tools in a local social justice activist's toolbox is a map, which can provide an immediate and visceral impact in a way a table or a pie chart just cannot. In a map people see their home, areas they know, landmarks, and themselves and people they know. Maps can lead people to ask, "Why is *my home* in the red area?" "Is that the neighborhood I grew up in?" or "Is that really so close to my child's school?" Over the years Geographic Information Systems (GIS) systems have become more powerful, easier to use, and less expensive, putting high quality maps increasingly within reach, and readymade maps are increasingly being made available free of charge on the internet.

A few government sources stand out. Of particular relevance to housing activists is HUD's E-Maps (www.hud.gov/offices/cio/emaps/index.cfm), which provides information on public and multifamily housing, HUD programs and EPA data down to the street level. In addition, advocates should explore the American Fact Finder website of the US Census (<http://factfinder.census.gov/servlet/BasicFactsServlet>) At the very bottom of the American Fact Finder index page there is a link to Thematic Maps. Using the system can be quite cumbersome, but data from the entire census is available down to the census tract level. This is particularly relevant for housing activists since the Census provides many important housing indicators. Another government site is <http://nationalatlas.gov/>, which provides a more eclectic mix of data down to the county level. Although there is little data directly related to housing, the "people" category provides maps of relatively standard economic and social data.

An increasing number of nongovernmental organizations are making their own maps public. An example of this is www.urbanpoverty.net, which provides data connected with the Brookings report on poverty concentration reviewed previously in *Memo*. This site provides maps data on the poverty rate, racial make up, population density, and the age and value of the housing stock. The data is available are for the years 1970-2000 and for changes over the various decades. The geographic scope is the urban counties in the United States. By using a mouse to zoom in on a specific area, data can be viewed at the census tract level.

Finally, city planning agencies, such as San Jose, CA (www.ci.san-jose.ca.us/planning/sjplan/data/Census_2000/maps.html) or Cambridge, MA (gis.ci.cambridge.ma.us/census2000/), often provide considerable geographic data on their sites. In recent

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notice to tenants. The new rule would require them to keep tenants notified throughout the process. In addition, under current policy, owners who receive RHS approval for financial incentives to stay in the program must wait for years before funds are available. The new rule would give them three options after 15 months: to stay on the waiting list, withdraw their prepayment request and remain in the program, or offer to sell the property to a nonprofit organization.

Finally, following agency policy developed over the last few years, the new rule would encourage the use of bank loans along with RHS financing. Since private financing tends to raise project costs, RHS has required developers using private financing to keep the same rents as they would have had RHS provided full financing. The new rule retains this requirement, but specifically asks for comment about using the CRCU concept to determine basic rents.

The complete proposal is available at the website of the Housing Assistance Council (HAC), www.ruralhome.org. HAC is interested in knowing whether people interested in this regulation would find it useful to discuss it on an e-mail listserv or post comments on a web bulletin board. Comments on these ideas can be sent to Leslie Strauss at leslie@ruralhome.org. Comments on the proposed rule itself are due to USDA by August 1, 2003.

—Thanks to the Housing Assistance Council for this article.

(Continued from previous column)

months many have been making their own treatments of the 2000 census data available on-line. These and data tend to go down to the census tract or block level and include more locally relevant landmarks and geographic breakdowns. Often the maps are keyed to data thought particularly relevant to the community. These public sites, however, often keep their analyses to a minimum and avoid controversial topics.

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.

Point of View *(cont'd from p. 1)*

be understood as an unregulated housing market run amok.

Now, building codes are among the regulations cited as contributing to the shortage of affordable housing by driving up the cost of housing. Conservative commentator Howard Husock, who is offering advice and counsel to HUD officials these days, goes further. It is Mr. Husock's position that if left alone, the market would provide sufficient housing for everyone, even the poor. It is the natural order that people's housing circumstances should improve only as they make more money. Mr. Husock readily acknowledges that the first rung of the "housing ladder" may not be "fit for habitation. Shacks, urban shanties, windowless tenements, and converted garages and cellars scandalize reformers and legislators....(But) regulations that raise living conditions also raise construction and maintenance costs, thereby reducing the supply of cheap housing" [(1997). Broken ladder: Government thwarts affordable housing. *The Policy Review*, 82 (Mar-Apr)].

So it comes as no surprise that HUD's proposal to block grant the voucher program does away with federal housing quality standards that govern housing subsidized by federal dollars. State and local standards housing standards would apply, unless there is an absence of standards altogether and then standards devised by HUD will be required. Further, annual inspections to assure that housing subsidized with vouchers meets the prevailing standards will only be required every three years.

Those assembled to hear Bill Moyers came away understanding that history is on the side of progressive reform, as the excesses of those in power become more that the social order will tolerate.



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.

NLIHC Staff

NLIHC Welcomes Field Intern

John Pourciau has joined the Coalition as field intern for the summer. John will be a junior this fall at Amherst College, where he is a political science major. John was born and raised in Baton Rouge, LA, and says he hopes to continue his education by getting a master's degree in urban planning or public administration after college, and then possibly working for a nonprofit or for HUD. Welcome, John!

News & Events

National Cohousing Conference

The 2003 National Cohousing Conference will take place June 19-22 at the University of Colorado in Boulder. Cohousing is a type of collaborative housing characterized by private dwellings mixed with extensive common facilities. The conference will include workshops and sessions on design and build issues, forming communities, and established communities, plus tours of established communities and other opportunities. For information and reservations, email conference@cohousing.org, call 303-772-5851, or visit www.cohousing.org.

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National Low Income Housing Coalition
Memo to Members
June 6, 2003
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The NIMBY Report

*on the continuing struggle
for inclusive communities*

National Low Income Housing Coalition

June 2003

CALIFORNIA

Despite 1,400 Opposition Signatures, Transitional Housing Project Prevails

For its first seven or eight years of existence, the Alpha Project, based in San Diego, CA, focused on providing job training and employment opportunities for people who were homeless, coming slowly to the realization that it is very hard to serve people as long as their housing remained unstable. But once they made the connection, the Alpha Project soon became one of the region's largest providers of transitional and permanent housing for homeless people.

El Cajon, an aging suburban community 25 miles outside San Diego, was very much in need of Alpha's help. In November 2002, faced with an increasing number of homeless individuals and families and no city program to shelter them, Father John Conrad of St. Albans Episcopal Church offered church land for a tent city. While there was no measurable increase in crime or other negative factors in the church's affluent neighborhood, Father John's decisions had a real visual impact on neighbors and city leaders, who were forced to respond to the homelessness crisis. As part of a deal to move folks off church property, the City Council agreed to spend \$170,000 to build a temporary structure in an industrial area north of the city to serve as a winter shelter. But that was just a stopgap measure, and the Council also committed to finding a provider who could help develop a long-term approach. That same month, a local developer, Hamann Construction, approached Alpha, asking what it could do to help address the city's problem. Alpha proposed acquiring an under-used and dilapidated three-acre site housing a motor hotel and restaurant, and Hamann quickly agreed to invest \$3.5 million to buy the property.

After a decade of housing development and management experience (along with mental health, substance abuse and other social services supports), Alpha thought that redevelopment of the 101-room transient motor lodge into long-term transitional housing would be a "slam dunk" proposition. After all, a \$4 million infusion of government and private money and the development of comprehensive services and supports would undoubtedly improve the physical appearance of the three-acre site and eliminate the more unsavory uses of the property, including drug dealing and prostitution.

That was before a few neighbors and local businesses began a campaign to fight to stop the project. That was before the opposition flyers ("Just say no...to a permanent homeless shelter.") That was before the misleading information, suggesting that transitional housing residents would make the drug and prostitution problems greater and would somehow threaten children at five schools located within a 1.5 mile radius. That was before the fear-mongering that led 1400 people to sign a petition opposing the project, and before opponents turned out 100 people at the Planning Commission meeting in early May in an effort to deny the special use permit Alpha would need to provide services to residents on site.

Ironically, it was the attempt to convert the property to a more beneficial use that hamstrung Alpha at the Planning Commission level. "Many of the people currently living in the motel are in our target population, and are not getting services," says Tony Phillips, Alpha's Director of Operations. "We could acquire this property, and I could continue to house several hundred transient people without services and without a permit."

Mr. Phillips, who has been through his share of community battles to site shelter, housing and community-based services, says that he has rarely seen such vociferous opposition. "Over a decade, I have never seen a less informed community opposition group, or more open to hate-mongering. It's been a long time since I've heard the terms 'mental illness' and 'substance abuse' used so pejoratively."

Prior to casting its vote, the Planning Commission offered Alpha an alternative: tabling the permit application for 180 days. But Mr. Phillips faced unique circumstances under which a delay would mean the death of the project. A socially conscious local developer, Hamann Construction, had agreed to invest \$3.5 million to buy the property, and the deadlines for tax credits and other leveraged financing were fast approaching. Mr. Phillips insisted on an up-or-down vote at the May 6 Planning Commission meeting. After the Commission voted 3-2 against Alpha on May 6, Chairman Tony Ambrose told the San Diego Union-Tribune, "I think what swayed most of the commissioners was the number of petitions and people opposed to it...I think it's a classic case of nobody wants it in their neighborhood."

Mr. Phillips knew that there was some risk in taking the ap-

proach that he did. But Alpha had done its homework ahead of time. "We knew we had support from the city staff and City Council. We hoped that support would hold in the face of the vocal opposition," Mr. Phillips said. In the end, according to Mr. Phillips, three factors coalesced as the matter reached the City Council, which voted 4-1 to grant the special use permit. First, the willingness of Hamann to come forward with private financing greatly simplified and sped up the process, and allowed the city to come in with \$500,000 to complete the deal. Second, the reputation of the Alpha Project over 17 years in the region was strong, and it was able to show city staff and elected officials concrete examples of their successes. This positive history allowed the City Council to feel comfortable with the staff proposal to fast track the approval of the permit. Finally, Mr. Phillips applauds the political vision of the City Council and its willingness to support a project that had generated such vociferous opposition.

Mr. Phillips reports that the Alpha Project will close escrow by the end of June, begin renovations by late summer and welcome its first residents by January.

For more information: Tony Phillips, Director of Administration, Alpha Project for the Homeless. Telephone: 619-542-1877. E-mail: tony@alphaproject.org

SHORT ITEMS

DE County Sued for Intentionally Blocking Group Home

Patsy and Jeff Wells own a large six-bedroom home on a 150-acre lot in rural Milton, DE, and wanted to rent it to Fellowship Health Resources (FHR) as a group home for eight men with mental disabilities. There is no question that the 6,000 square foot home is large enough to house at least eight people, and that it would provide an environment in which the eight men could receive quality community-based supports and live in a family-like atmosphere. A contingency in the lease with FHR required the Wells family to get approval from the Sussex County Board of Adjustment to use the house as a group home. After tabling the matter for at least five consecutive meetings, the Board of Adjustment finally denied approval in late January 2003. The county relied on a local ordinance that does not permit group homes for people with mental illnesses in its residential districts absent special hearing procedures. Several neighbors testified at the hearing; their reasons for opposing the home focused on the men's disabilities and their own incorrect assumptions about how the residents' disabilities would affect their behavior. Board of Adjustment member John Mills summarized this testimony (and the Board's reliance upon it): "The majority of the testimony we've heard was from people that were affiliated with that [horse] riding academy [across the street from the home]...and most of the testimony we've heard was assuming that residents [of the home]

would be somewhat of a perverted nature." While many opposition groups have complained about the effect of group homes on property values or on safety of children, this is the first case known by The NIMBY Report in which opponents appear to be claiming that a group home should not open because of the effect it will have on horses.

The Wellses and one of the prospective residents of the home filed a lawsuit in federal court in March 2003, requesting a jury trial. The first hearing is expected in the case some time this summer.

For more information: Daniel Atkins, Esquire, Community Legal Aid Society. Telephone: 302-575-0660, ext. 229. E-mail: datkins@declasi.org. Beth Pepper, Esquire. Telephone: 410-752-2744, ext. 203. E-mail: bethpepper@aol.com.

CT Housing Finance Authority Accused of Promoting Segregation

The Connecticut Civil Liberties Union has filed a lawsuit in state court, claiming that the Connecticut Housing Finance Authority finances too many low income apartments in already poor and largely minority neighborhoods. Philip D. Tegeler, the civil liberties union's legal director, says that the state agency's approach to approving low-cost housing is "one of the reasons why we have segregated schools in this state. It's another example of a government agency that has been supporting the system, but has not taken serious efforts to address the problem of segregation. Our case says they have an obligation to do that under state law."

The lawsuit's plaintiffs are the Asylum Hill Problem Solving Revitalization Association, a Hartford civic group, and Adrienne Brown, a low income African American resident of Asylum Hill. Over the protests of residents, the housing authority approved corporate tax credits valued at \$260,786 in 2001 to build 21 apartments in the Asylum Hill neighborhood. Civil liberties lawyers say the housing authority has no rules that restrict how many low income developments they can approve in racially concentrated, high-poverty areas. As a result, the lawsuit says the housing agency has contributed to school overcrowding, school segregation and lower home ownership rates in the Asylum Hill neighborhood.

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Thanks to Michael Allen of the Building Better Communities Network (BBCN) for writing The NIMBY Report. More information about BBCN is available from its website, at www.bettercommunities.org Suggestions for articles for The NIMBY Report can be sent to Michaela@bazelon.org.
