

MEMO OF MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

Volume 8, Issue No. 27 • July 11, 2003

Reminder: All NLIHC memberships expire June 30

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Capitol Hill

VA-HUD Appropriations Process to Begin; Current Allocation of Vouchers Threatened

Consideration of the spending bill for HUD by the House VA-HUD Appropriations Subcommittee is scheduled for 5 pm July 14. The Senate's schedule for tackling VA-HUD is still unknown.

As advocates and analysts gather more information, the picture becomes only bleaker. In a report released Friday titled "New HUD Data Show Families Will Likely Lose Housing Vouchers if Congress Approves President's Budget Request," the Center on Budget and Policy Priorities (CBPP) has determined that the funding for the voucher program proposed by the President is short by an astounding \$1.261 billion. As a result, nearly 184,000 vouchers currently *in use* would not be funded were the Appropriations Committees to adopt the President's proposed funding level for FY04. Were such a cut made to the voucher program, it would be unprecedented, CBPP finds. Seniors, people with disabilities and families with children could lose the vouchers on which they depend to help pay their rent, and thus lose their homes. CBPP came to its conclusions about the shortfall using data on voucher utilization and costs provided by public housing agencies to HUD at the beginning of April, as required by the FY03 appropriations legislation.

Both voucher utilization and costs in the first half of FY03 have exceeded expectations, CBPP found. This means that more funds than appropriated for FY03 will be needed for vouchers, but HUD has "carryover" funds, unused from prior
(See Capitol Hill on p. 2)

HUD

HUD Reinstates Public Housing Community Service Requirements

On July 8, HUD released notice PIH-2003-17, reinstating the Community Service and Self Sufficiency requirements for public housing residents. The notice instructs large housing authorities on how to implement the requirements. It also gives a timeline on when the requirements must be reinstated.

Legislative language in the Quality Housing and Work Responsibility Act of 1998 mandated that every adult resident of public housing perform eight hours of community service or participate in other "self sufficiency" activities such as job training. Those exempt from the law are individuals working at least 30 hours a week, people who are blind or have disabilities, and persons over age 62.

The law was suspended in 2002 when the FY02 appropriations bill was amended so as not to provide housing authorities with funding to implement the provision. A similar amendment was not included in the FY03 appropriations bill, allowing HUD to reinstate the requirements.
(See HUD on p. 3)

POINT OF VIEW

by Sheila Crowley, President

First, there was the "accounting" error at HUD that HUD passed on to public housing agencies in the form of a 30% cut in operating funds earlier this year. Now, we learn that HUD failed to assess the cost of renewing all housing vouchers next year, creating a shortfall in funding for vouchers currently helping to pay the rent for at least 184,000 families and individuals (see article below). That's about 10% of the whole housing voucher program. This mathematically challenged agency is the same one that is going after tenants they accuse of not paying enough rent because their rents have been miscalculated.

It is true that President Bush sent his budget to Congress in February before the latest numbers on voucher utilization were in. But HUD has had the data needed to revise the projected cost of vouchers for FY04 since early April and has yet to inform Congress of the impending disaster. After repeated requests from both authorizing and appropriating Senators for the latest information about voucher utilization rates, HUD finally provided several hundred pieces of paper containing raw, unanalyzed data. Fortunately, the Center on Budget and Policy Priorities was able to conduct the needed analysis to determine the shortfall and sound the alarm.

When did HUD know that a crisis was looming? If they have known since April, why haven't they told Congress about it? If they have not yet figured it out, why haven't they? Isn't that HUD's job? In

(See Point of View on p. 7)



**NATIONAL LOW INCOME
HOUSING COALITION**

Capitol Hill *(cont'd from p. 1)*

years, that could make up the FY03 shortfall. The Administration had counted on those carryover funds, however, in formulating its FY04 budget request, so their expenditure in FY03 would contribute to a shortfall for FY04. In addition, \$500 million of the carryover funds were rescinded after the Administration's budget request was released, also reducing the funds available for vouchers.

In light of the pending markup, housing advocates have planned two national call-in days in which concerned advocates and low income people will urge their members of Congress to press the Administration to seek additional funding. In addition, Senators Paul Sarbanes (D-MD, Ranking Member of the Senate Banking Committee), Jack Reed (D-RI, Ranking Member of the Housing and Transportation Subcommittee), and Barbara Milkulski (D-MD, Ranking Member of the VA-HUD Appropriations Subcommittee) have sent a letter to HUD Secretary Mel Martinez, asking him to seek additional funding to ensure that funds for vouchers already in use are not cut.

The VA-HUD Appropriations Subcommittees will find themselves in a tough spot, as the Subcommittees' allocations were only \$600 million above the President's request. There appears to be bipartisan support for funding HOPE VI, which the Administration had zeroed out. Funding levels last year and in years prior had been \$574 million; whether the subcommittee will provide the full amount, a token, or something in between remains to be seen, although there has been scant talk of funding HOPE VI at last year's level. Regardless, restoring HOPE VI funding and making up the voucher shortfall would far exceed \$600 million.

In addition, other agencies funded by the VA-HUD spending bill, such as Veterans Affairs and the Environmental Protection Agency, also have shortfalls under the President's request. Advocates are looking to Monday's markup with trepidation, as the implications of the big tax cuts and a miserly budget resolution start to have real meaning.

More information on the voucher call-in days is available at www.nlihc.org. The CBPP report is available at www.cbpp.org/7-11-03hous.htm.

TANF Reauthorization Moves Forward

On June 27, the Senate voted to extend the current Temporary Assistance for Needy Families (TANF) legislation through September 30. The bill was set to expire on June 30. The extension bill is set for mark up on July 23; the House passed its extension bill earlier this month. The Senate's vote on the bill was delayed

because Senator Ron Wyden (D-OR) wanted to ensure that Oregon would not be subject to federal sanctions if it continued to operate under its waiver, which also expired June 30, allowing the state to receive TANF funds without complying with all of the federal TANF regulations. Health and Human Services Secretary Tommy Thompson sent Senator Wyden a letter guaranteeing him Oregon would not be sanctioned for continuing to operate under its waiver, which allows Oregon to count alcohol and drug treatment as work for those receiving TANF assistance.

The *Congressional Quarterly* this week reports that there is a possibility that the child tax credit legislation may be attached to the Senate TANF bill. The article quotes a Republican aide as saying, "Conservatives say they regard the refundable child credit as a form of welfare. And the welfare bill is a possible vehicle for the child credit." The child tax credit bill would increase the number of families eligible for the credit by making more low income families eligible. The other legislative vehicles being considered for the child tax credit are an energy bill and a bill that extends the State Children's Health Insurance Program.

Field Hearing on CDBG and Voucher Block Granting Held in Los Angeles

On Monday, June 30, members of the House Subcommittee on Housing and Community Opportunity held a field hearing titled "Community Development Block Grants (CDBG): The Impact of CDBG on our Communities" in Los Angeles, CA. Chairman Bob Ney (R-OH) and Ranking Member Maxine Waters (D-CA) assembled panels to discuss the program, whose primary purpose is the development of viable urban communities, by providing decent housing, suitable living environments and expanding economic opportunities, principally for persons of low and moderate income. HUD Acting General Deputy Assistant Secretary Nelson R. Bregón testified at the hearing that the three national objectives of CDBG funding are to benefit low and moderate income people, aid in the prevention and elimination of slums, and meet urgent needs that communities are unable to finance on their own.

Of the almost \$4.5 billion HUD requested for the CDBG program last year, more than \$146 million is allocated for the Los Angeles area. The funds are used for a variety of purposes such as neighborhood revitalization, economic development, and improved community services, witnesses said.

Overall, the panelists were supportive of the program; some witnesses said more funding is needed. Sam Mistrano, Acting Executive Director of Southern California Association of Non-Profit Housing, stated that
(See *Capitol Hill* on p. 4)

National Housing Trust Fund Another cosponsor for H.R. 1102

The National Housing Trust Fund Campaign continued to move forward this week with Representative Max Sandlin (D-TX) becoming a co-sponsor of H.R. 1102. Mr. Sandlin's cosponsorship brings the total number of co-sponsors to 202. In addition, the City of Chicago passed a resolution supporting the National Housing Trust Fund this week, bringing the total number of endorsers to 4,257. More information is available at www.nhtf.org.



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

The notice requires housing authorities to issue written notification to residents of the requirements by July 31 and have the program fully reinstated by October 31. Residents who fail to comply with the requirements could have their leases terminated. Housing authorities are instructed to apply the rule to all leases that began on or after October 1, 2002. The National Association of Housing and Redevelopment Officials reports that HUD may want the requirement to be applied retroactively. HUD plans to issue a correction to the notice clarifying whether the provision is to apply retroactively and, if so, how public housing authorities should carry it out.

HUDClips

On July 8, under directive 03-14, HUD issued a notice to reinstate and extend Notice H 2002-10, Section 8 Project-Based Rent Adjustments Using the Annual Adjustment Factor (AAF), which expired May 31, 2003. The original notice describes procedures for annual adjustment of pre-renewal contract rents for Section 8 projects where rent is adjusted using the HUD AAF. The factors are based on a formula using data on residential rent and utilities cost changes from the Bureau of Labor Statistics Consumer Price Index (CPI) survey and from HUD Random Digit Dialing (RDD) rent change surveys. AAFs are not used for the Section 8 voucher program. The new notice expires July 5, 2004.

Under directive REG-131997-02, the Department of Treasury issued Section 42 Carryover and Stacking Rule Amendments. Section 42 provides for a low income housing credit that may be claimed as part of the general business credit. The credit is allowable only if the owner of a qualified low income building receives a housing credit allocation from a state or local housing credit agency of the jurisdiction where the building is located. A public hearing is scheduled for September 23.

(Continued next column)

Update from the Field

San Diego Housing Costs Push Renters and Buyers into Mexico

The San Diego *Union-Tribune* recently reported that San Diego County residents have increasingly been moving to Mexico in search of affordable rents. The average rent for a two-bedroom apartment in San Diego exceeds \$1,000 per month. In some cases, monthly rent on a two-bedroom apartment in the Baja region can be as low as \$400.

An estimated 50,000-60,000 legal U.S. residents live in Tijuana, the report found. Many of those moving are American citizens and Mexican nationals with documentation to and work north of the border. The report also finds that an estimated 29,000 people in the San Diego and Riverside County areas are commuting to work from Tijuana.

"There hasn't been housing built for low and moderate income people for over ten years," said Tom Scott, Executive Director of the San Diego Housing Federation. He said that while low income people in the San Diego area have been moving across the border for years, "now that the San Diego area housing shortage has become so critical, moderate income families and individuals are also moving across the border and to Riverside County to avoid the high costs."

Potential homebuyers in the moderate-income brackets are also beginning to look elsewhere for housing. The median cost for a home has reached record highs of \$375,000, which the *Union-Tribune* reports is beyond the reach of more than three-quarters of the San Diego County population.

Those people who move across the border also face problems securing employment, the report finds. Potential employers are hesitant to hire people who may face border delays, because of the fear they will be late regularly.

San Diego *Union-Tribune* (www.uniontrib.com) staff writer Emmet Pierce reported the story.

(Continued from previous column)

On July 1, under directive FR-4679-N-06, HUD issued changes in certain multifamily insurance premiums. Then effectively lowers the mortgage insurance premiums (MIP) for certain Federal Housing Administration (FHA) mortgage insurance programs whose commitments will be issued in FY04.

All notices are available at www.hudclips.org.

Capitol Hill *(cont'd from p. 2)*

although CDBG is a critical tool in solving Los Angeles's affordable housing crisis, "this money is not nearly enough to build our way out of the crisis. Los Angeles still desperately needs [additional] CDBG funding."

Mr. Mistrano also pointed out that Los Angeles is primarily a county of renters, with the homeownership rate dropping in the county over the last ten years, in opposition to state and national trends. With an increase in renters, the demand for rental units also increases, raising prices and decreasing the stock of affordable housing units available to low income renters. The median rent for a two-bedroom apartment in the city has increased by 25% since 1999.

In a second day of field hearings in Los Angeles, the Subcommittee on Housing and Community Opportunity listened to testimony on July 1 on the proposal to block grant the Section 8 Housing Choice Voucher program to the states. This hearing represented the fourth time that the Subcommittee examined the block grant proposal, with three prior hearings having taken place in Washington, DC, in May and June.

Uniformly, all of the witness testifying expressed their support for the current administrative structure for the voucher program and noted their concerns about the block grant. Ruth Schwartz, Executive Director of Shelter Partnership, Inc., a nonprofit that provides housing and services to families that are homeless or at risk of becoming homeless, expressed her respect for the state housing agency but said that the gains made in collaboration with the Los Angeles city and county public housing agencies (PHAs) would be lost were the program to be turned over to the states. Matthew Franklin, Director of the California Department of Housing and Community Development, conveyed Governor Davis's own wariness about the block grant. In particular, Mr. Franklin testified that the Davis Administration is particularly concerned about an easing of a federal commitment to fully fund the voucher program should the block grant be implemented.

Two voucher recipients, Chanda Peters and Leona Thompson, testified about the benefits that their vouchers as currently administered have brought to their lives. A small property owner, Beverly Martin, said she believed the block grant would add bureaucracy and was unwise given the fiscal crisis facing the state of California. Thomas Shelton, representing the National Apartment Association and the National Multifamily Council, expressed concern about the block grant and recommended maintaining the current funding structure while making changes to some program

rules relating to inspections, payment levels and the method of payment.

Larry Gross with the Coalition for Economic Survival and Jeff Farber with L.A. Family Housing described the great unmet need for housing assistance in the Los Angeles area and outlined the shortcomings of the proposed block grant in response to that need. Mr. Gross noted that a block grant would threaten the cooperative working relationship between tenants and the Housing Authority of the City of Los Angeles. The implications for tenants who have received vouchers as the result of an opt-out of project-based Section 8 property or due to the prepayment of a federally-insured mortgage are of particular concern as well, Mr. Gross said.

Not surprisingly, witnesses representing the Housing Authority of the City of Los Angeles, the Housing Authority of the County of Los Angeles, and the Long Beach Housing Authority all outlined why administration of the program by local agencies is preferable to state administration. Gary Clopp, representing the National Leased Housing Association, noted that "the program is not perfect, but it is not broken." Mr. Clopp suggested changes along the lines proposed by Mr. Shelton.

Over the course of the four hearings, support for the block grant among witnesses and members of the Subcommittee was limited. Subcommittee Chair Bob Ney (R-OH) had indicated the possibility of further field hearings on the issue, but none has been scheduled. The Senate Banking Committee has yet to schedule any hearings on the proposal.

Lack of Affordable Housing Mentioned in LIHEAP Hearing

On July 8, the House Subcommittee on Education Reform within the Committee on Education and Workforce held a hearing titled, "LIHEAP & CSBG: Providing Assistance to Low Income Families," focusing on the reauthorization of the Community Services Block Grant (CSBG) and the Low Income Home Energy Assistance Program (LIHEAP). CSBG provides funding to community agencies to provide an array of social services to low and extremely low income families. LIHEAP provides energy assistance to seniors, people with disabilities, and families with children who have extremely low and low incomes. LIHEAP is administered by the Department of Health and Human Services.

The panel of witnesses included representatives from community organizations, a state energy board, and a social service agency. Members of the panel discussed how the LIHEAP program has helped low income fami-

(See Capitol Hill on p. 5)

Capitol Hill *(cont'd from p. 4)*

lies afford other basic necessities in life. “Without this assistance people would have to choose between paying their rent or energy bills,” said Leslie Lee, LIHEAP Director of the Delaware Department of Health and Social Services.

With the economy declining, members of the panel discussed the increase in the number of families needing assistance. Because the winter was so cold, some programs have had to reduce summer assistance. Ms. Lee testified that her program cut assistance with cooling bills in half, helping only the elderly and families with children who have respiratory problems. As the LIHEAP program serves so many, the panel was in consensus in asking the subcommittee to increase funding. Given that the LIHEAP program also offers weatherization assistance, some Members, including Representatives Vernon Ehlers (R-MI) and Denise Majette (D-GA), asked the panel whether they believed that funding for weatherization of homes was just as important, if not more important, than funding for direct need. The panel stressed that there should not be cuts in either category, but that overall weatherization of homes is more effective.

Representative Danny Davis (D-IL) asked the panel to tell the committee the greatest need of the low income families they serve. The panelists agreed that need varies, but several mentioned affordable housing as a chief concern. “It is hard to be self sufficient without having rent or medicine,” Ms. Lee said. “You have to start at the beginning with shelter.” Living wages, education, and health care were also mentioned.

Subcommittee Hears More on Rural Housing

Following up on a visit to the Subcommittee on Oversight and Investigations on June 25 to discuss waste, fraud and abuse, Thomas Dorr, Under Secretary for Rural Development at the U.S. Department of Agriculture (USDA) testified in front of the Subcommittee on Housing and Community Opportunity on “Rural Housing in America.” The hearing with Mr. Dorr was the second on the topic, with the first hearing—the first in a decade—held on June 19.

Mr. Dorr opened his testimony by commenting that USDA’s Rural Development program is “the venture capitalist for rural America.” In his review of USDA’s rural housing programs, Mr. Dorr explained the value of USDA’s role in promoting homeownership and multifamily housing in rural areas. Mr. Dorr acknowledged some of the challenges facing the multifamily programs, including the eligibility of 64% of the owners of Section 515 properties to prepay their subsidized mort-

gages and leave the affordable housing program; the need to improve the forecasting of rental assistance needs; and the need to enable the secondary mortgage market to participate in the Section 538 loan guarantee program. Despite these challenges, Mr. Dorr asserted that USDA is “uniquely situated” to address housing needs in rural areas. Such a statement may have been an oblique response to rumors of plans to move USDA’s housing programs to HUD, a shift considered unwise by advocates.

Subcommittee Chair Bob Ney (R-OH) pushed Mr. Dorr on the rental assistance situation, and Mr. Dorr acknowledged that a lack of accuracy in predicting project needs has resulted in unliquidated balances, but said that USDA was committed to addressing this issue. The adequacy of funding for the Section 515 is a concern for Representative Artur Davis (D-AL), who pointed out the drop in funding for the program over the past decade. Mr. Dorr admitted that additional resources would be helpful, but said the agency is trying focus on the effective management of the funding it currently receives.

When asked by Mr. Davis what he was doing to learn from people “on the ground” about their needs, Mr. Dorr said that he had been in Mr. Davis’s district recently, meeting with a faith-based developer. Mr. Davis gently chastised Mr. Dorr for failing to inform him of his visit to the district. When asked by Representative Richard Renzi (R-AZ) what he saw as obstacles to homeownership in the rural south, Mr. Dorr said that lack of trust in financial institutions as well as the absence of black-owned appraisers and title companies were hindrances.

Subcommittee Ranking Member Maxine Waters (D-CA) challenged Mr. Dorr on his characterization of minority groups as less interested in homeownership than whites. Ms. Waters noted that USDA itself has been sued by black farmers for discrimination. She also reminded Mr. Dorr of the discrimination faced by minorities in their efforts to purchase homes and secure mortgages and urged the Under Secretary to use his leadership to improve homeownership opportunities as well as substandard living conditions in the Mississippi Delta, Appalachia and other regions.

Mr. Dorr and Representative Doug Bereuter (R-NE) discussed the Section 502 and 538 programs. The Section 502 program provides direct loans, while the Section 538 program provides loan guarantees. The Section 502 has been more heavily utilized, in part because it serves a lower income group, from 40% to 60% of area median income. In addition, the difficulty in accessing Ginnie Mae in the secondary market has

(See Capitol Hill on p. 6)

Capitol Hill *(cont'd from p. 5)*

made the Section 538 program less viable, but Mr. Dorr reiterated that USDA is working with Ginnie Mae to move toward securitization of Section 538 loans.

Asked by Mr. Ney to present his agency's goals in a nutshell, Mr. Dorr asserted that the Administration is sensitive to the needs of rural America. Mr. Dorr said he intended to implement USDA's programs effectively through good stewardship.

GAO Reports on Oversight Inconsistency in HOPE VI

In a report dated May 2003, the General Accounting Office (GAO) submitted to Senator Jack Reed (D-RI), Ranking Member of the Senate Subcommittee on Housing, the second in a series of reports on the HOPE VI program. The HOPE VI program is administered by HUD and intended to revitalize distressed public housing through demolition and rehabilitation.

In 2002 the Senate Housing and Transportation Subcommittee requested that GAO do a comprehensive study of the HOPE VI program, as the program is scheduled to sunset this fiscal year. In the second report, titled "Public Housing: HUD's Oversight of HOPE VI Sites Needs to Be More Consistent," GAO examined four different areas: HUD's process for assessing HOPE VI revitalization grant applications and selecting grantees; the status of work for which grants have been awarded and compliance with grant agreement deadlines; HUD's oversight of HOPE VI grants; and the amount of program funds that HUD has budgeted for technical assistance and the types of technical assistance it has provided. The report finds that HUD uses four different factors in assessing HOPE VI revitalization grant applications. HUD reviews whether the prospective grantees have a demonstrated need for revitalization assistance; the capacity of applicants to use grants effectively; the quality of proposed revitalization plans, and the potential for applicants to use grants to leverage funds from other sources.

The report finds that HUD's oversight of the HOPE VI program has been inconsistent by both headquarters and field offices. GAO reports that as of December 2002, only 15 of the 165 HOPE VI sites were fully completed and that the majority of the grantees had not met the conditions of their grant agreements. As a result of such findings, GAO recommends that HUD continue to include past performance as an eligibility requirement in each year's notice of funding availability; clarify the role of HUD field offices in HOPE VI oversight and ensure that the offices conduct required annual reviews of HOPE VI grants; and develop a formal, written enforcement policy to hold public hous-

ing authorities accountable for the status of their grants. HUD agreed with all of the GAO recommendations.

GAO Looks at Salaries at HUD, OMHAR

Senator Paul Sarbanes (D-MD), Ranking Member of the Committee on Banking, Housing and Urban Affairs, asked the General Accounting Office (GAO) to look at the employment of staff of the Office of Multifamily Housing Assistance Restructuring (OMHAR) by HUD upon their departure from OMHAR. In particular, Senator Sarbanes wanted to know whether HUD was honoring its commitments with respect to salaries when staff at OMHAR return to employment at HUD. In its response, in the form of a letter dated June 30, GAO noted that OMHAR is a temporary, independent organization within HUD that manages the restructuring of above-market rental assistance properties. OMHAR was scheduled to cease operations on September 30, 2001, although this sunset was subsequently extended by three years, at which point activities performed by OMHAR will be folded into HUD for another two years. To attract skilled professionals to oversee mortgage restructurings nationwide, the legislation creating OMHAR permitted it to pay higher salaries than paid to most other federal employees.

GAO found that HUD had misinformed OMHAR staff about their right to employment and their salaries at HUD. As OMHAR is a temporary agency, its hiring process has an exception from the competitive service procedure. HUD advertised some OMHAR positions as competitive service positions and provided incorrect information about employment and salaries that would be available at HUD. But OMHAR employees without prior competitive status do not have the right to be reinstated at HUD upon leaving OMHAR. In addition, the grade level to which OMHAR employees with prior competitive service work experience return to HUD is the highest grade held in their most recent competitive service position, essentially meaning that their pay and level while at OMHAR is not considered upon return to HUD.

GAO determined that the 24 OMHAR employees eligible to be reinstated at HUD would have their pay reduced by 16.5% on average, with reductions ranging from more than 20% to less than 10%. GAO conceded that OMHAR staff could apply for higher-level position at HUD through regular competitive service procedures.

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>.

Resources

Tracking the Financial Services Committee

The somewhat unlikely named www.techpolitics.org is a website devoted entirely to tracking the U.S. House of Representatives Financial Services Committee, its members, their votes, and their districts. Since the Financial Services Committee is where most housing legislation originates in the House, the site has the potential to be a substantial resource for housing advocates. The opening page of the website explains the site, followed by a vote chart of all the members of the committee from the 108th Congress. The site also provides links to the committee's legislation and amendments. Also included are biographies of the members, contribution reports, lobbyist information, election returns, and member ratings by four major interest groups with differing views on major votes. The interest groups are the AFL-CIO, the Americans for Democratic Action (ADA), the American Conservative Union (CUS), and the Chamber of Commerce of the U.S. (CCUS).

One of the best aspects of this site is its easy access to demographic and other information by congressional district for the committee members and in some cases the entire Congress, often in ready-to-use Excel spreadsheets. Also included in the data is a presentation of the maximum and minimum housing wages from NLIHC's *Out of Reach* report for each of the committee members' districts (www.techpolitics.org/housingcosts.htm). The site is clearly most useful for advocates whose Members are on the Financial Services Committee, but it can provide useful information and data for all advocates.

NLIHC Staff

NLIHC Seeks Legislative Director

NLIHC is seeking an experienced advocate with in-depth knowledge of federal housing programs and well-developed analytical and communication skills to serve as legislative director. Requires direct experience with the legislative process and a demonstrated commitment to social justice. JD or master's degree required. Salary commensurate with experience. Send cover letter and resume to Deputy Director, National Low Income Housing Coalition, 1012 14th St. NW Suite 610, Washington, DC 20005, or fax to 202-393-1973. AA/EEO. Applications accepted until position is filled.

Fact of the Week

Housing Vouchers Threatened

States with highest projected loss of housing vouchers unless Congress rejects the Bush Administration's FY04 housing budget:

California: 26,117
 New York: 17,578
 Texas: 12,143
 Florida: 7,653
 Ohio: 7,406
 Illinois: 7,092
 Pennsylvania: 7,008
 Massachusetts: 6,253
 New Jersey: 5,680
 North Carolina: 4,769

Source: Center on Budget and Policy Priorities, *New HUD Data show Families will likely Lose Housing Vouchers if Congress Approves President's Budget Request*, 2003.

News & Events

Housing Trusts, Partnerships, and Funding Innovations

The Performance Institute will host "Innovative Financing for Community Development: Housing Trusts, Partnerships, and New Funding Innovations" from September 17-19 in San Diego. The conference will bring together leaders in public, private, and philanthropic financing to address how states and localities can start a housing trust to leverage funds, maximize resources through partnerships, and assess the latest innovations in financing for community development. More information is available at www.performanceweb.org/environment/e119/e119.htm.

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)*

either case, HUD's failure to act now compounds its failure to more accurately predict the cost of vouchers for FY04 in the first place and shows a reckless disregard for the well-being of the families HUD is charged with serving.

Congress has put itself in an impossible bind with its budget fictions. Watch for ever more imaginative gimmicks to emerge as Congress tries to squeeze its size 10 spending foot into its size 8 revenue shoe. But the voucher funding shortfall is not a problem of Congress's making. The fault rests squarely with the Bush Administration. It is up to the Administration to come to Congress to request the increased funding needed to prevent tens of thousands of seniors, people with disabilities, and families with children who rely on housing vouchers to make ends meet from losing their homes.

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National Low Income Housing Coalition

Memo to Members

July 11, 2003

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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.

The NIMBY Report

*on the continuing struggle
for inclusive communities*

National Low Income Housing Coalition

July 2003

CALIFORNIA

No Welcome for Farmworker Housing

Giving voice to the high anxiety over temporary housing for farmworkers in Carlsbad, CA, dozens of city residents turned out to a Planning Commission meeting in mid-June, even though city officials had assured them that the issue was not even on the commission's agenda. The coastal city of 75,000 residents just north of San Diego is surrounded on its east side by large agricultural holdings that are dependent on low-wage migrant and seasonal labor. There are as many as 600 migrant farm workers currently living in shantytowns in Carlsbad, according to one estimate. The task force is looking to put the housing near where some of them work. Since April of 2003, a city task force has been reviewing the suitability of several agricultural parcels for a proposed 150-man shelter for migrant laborers that would include mobile homes for sleeping, cooking and sanitation.

Although the recommendation of the Carlsbad Temporary Housing Task Force to the City Council is not due until late July, opponents of the plan have mobilized early and are acting preemptively. Each piece of property that comes before the Planning Commission is carefully scrutinized. The opposition thought the Robertson Ranch parcel, for which developers sought rezoning for a future planned residential community, was a prime candidate for the migrant housing, and that the July application was simply setting the stage.

As in many other communities, neighbors have organized, and run down the litany of familiar arguments against new housing for low income people. Heading the list are concerns about safety and property values. "I'm looking at a game here I don't understand," resident Arthur Serrin told the commissioners. "We are going to build a Mexican trailer court out there. Is it necessary? It isn't necessary.... And once you get that 150 in there, what's to say it isn't going to expand to 300?" Serrin, a member of the city's senior commission, appeared to speak for residents of all ages, some of whom spoke openly about concerns associated with housing for the mostly Latino farmworkers. Several speakers suggested that housing for migrant workers would diminish the sense of safety they feel for themselves and their children. Debra Pavoin told a local newspaper reporter, "If migrant housing does go up, the property values will go down."

During the public discussion period Nikki Weaver, a 14-year Carlsbad resident, said she was "shocked and amazed with the situation of illegal farmworkers." She also contends that building a farmworker shelter would encourage more undocumented workers to come to the city. "It will put Carlsbad on the map all through Mexico," she said.

City officials are trying to balance the obvious need for housing against the concerns of the neighbors, and have had little to say about the controversy.

For more information: Patti Hamic-Christiensen, community development director, Community Housing Works. Email: phc@communityhousingworks.org.

VIRGINIA

City Manager Nixes Tax Credit Renovation of Three Apartment Complexes

It seemed like a no-lose proposition. A credible developer had expressed an interest in buying three aging apartment complexes in Roanoke, VA, and gives them a much-needed face lift. What's more, the nearly 200 units were going to be kept affordable to people with low and moderate incomes. But City Manager Darlene Burcham says the city of 95,000 residents has already done more than its fair share when it comes to affordable housing. Because, in her view, the city's housing stock is too segregated, too rental-heavy (41% of all units in the city are rentals, according to the 2000 Census) and too saturated with traditional low income units, she essentially torpedoed the Low Income Housing Tax Credit application of Ripley Heatwole Company to renovate The Ridge and Colonial Yorktown in Southwest Roanoke, and Park Towne in the city's Northwest quadrant. Ms. Burcham has said publicly that she will oppose similar projects if they fail to meet her criteria.

Ms. Burcham wrote letters to the Virginia Housing Development Authority (VHDA), opposing the tax credit allocation, suggesting that the city has done much more than its suburban neighbors. "I don't think Roanoke should become the home of every low and moderate income person in the Roanoke Valley," she said. Ms. Burcham's position on the renovation financing is part of her effort to diminish the city's regional reputation as a haven for affordable housing. She also wants

neighboring governments to step up to the plate and agree to host subsidized housing. Roanoke's population is about 25% of the regional total, but it accounts for more than its proportional share of affordable housing.

What makes the opposition hard to understand, says Lou Joyner of the development firm Ripley Heatwole, is that there are no new units of affordable housing being developed. Rather, the three complexes are already operating as rental housing, but are in need of substantial renovations. Such projects are typically embraced by local governments. But, faced with Ms. Burcham's hard-line stand, Joyner says the developer has chosen not to move forward. "As a developer, you don't want to come into a community where you're not wanted," she told the *Roanoke Times*.

Roanoke's emerging position casts some light on the underside of the "fair share" discussion. By their very nature, cities are better often equipped to support affordable housing and the social services needs of low income residents. Yet many cities in Virginia are claiming they are unfairly burdened with such housing and services. Even those who have historically done well in these areas are pulling back to reassess their contributions and compare them to neighboring suburban jurisdictions.

For more information: Lou Joyner, Ripley Heatwole Company. Telephone: 757-473-8575

GEORGIA

DOJ Prevails in Discrimination Case

In early June the U.S. Department of Justice (DOJ) announced an agreement with the city of Pooler, GA, to settle a lawsuit that alleged violations of the federal Fair Housing Act. The lawsuit, filed in late 2001 (See *The NIMBY Report*, December 2001), alleged that the Savannah suburb of Pooler violated the Fair Housing Act when it rejected—for reasons of race—a developer's proposal to build 68 affordable apartments for senior citizens using federal low income housing tax credits.

On June 5, 2000, the council voted to go on record against the project, organized by local developer Jerry Braden, effectively blocking the application Mr. Braden had filed with the Georgia Department of Community Affairs for federal tax credits. Mr. Braden wanted to build a project similar to the 45-unit Grove Park Apartments he built for senior citizens in Hinesville. The Justice Department accused city officials of using zoning regulations to discourage black Savannah residents from moving to the westside, an allegation city officials still deny.

Under the consent decree, the city of Pooler will contribute up to \$425,000 towards construction of new affordable housing for seniors under the tax credit program. In addition, Mr. Braden will receive \$25,000 in compensation. The agreement also calls for Pooler to solicit proposals from developers for federally subsidized apartments over the next four years. "But not

on Rogers Street," said Mayor Earl "Buddy" Carter, referring to the original site proposed by Mr. Braden. "They'll be built in areas where we've invested millions of dollars into infrastructure, where we can support this kind of development."

On behalf of the government, Richard S. Thompson, U.S. Attorney for the Southern District of Georgia, said the outcome was a good one: "This is an appropriate resolution which is entirely consistent with the purpose and intent of the Fair Housing Act," he said. "We will continue to work to root out discrimination."

For more information: Richard S. Thompson, U.S. Attorney for the Southern District of Georgia. Telephone: 912-652-4422. Settlement agreement and dismissal order are available in full text at the DOJ website, www.usdoj.gov/crt/housing/documents/poolersettle.htm.

SHORT ITEMS

Inclusionary Zoning Taking off in CA

According to a new report by the Institute for Local Self Government, by the end of 2003, as many as one-quarter of all California cities are expected to have inclusionary housing policies in place to improve housing opportunities for low income families. Most inclusionary programs require private developers to ensure that a fixed number of newly built units—usually between 10% and 20% of the total development—are affordable to low income residents. The report, titled *The California Inclusionary Housing Reader*, examines the advantages and disadvantages of using inclusionary housing ordinances to increase the availability of affordable housing. The goal of the Reader is to help local leaders decide whether inclusionary housing ordinances are right for their communities. The report "provides a starting point for development and implementation," according to contributor Bill Higgins, who added that communities "don't have to reinvent the wheel to provide affordable housing." The report was issued at a time when California cities are struggling with methods to ensure that they plan for and build housing that is affordable to people with low and moderate incomes. The report can be purchased from the Institute for Local Self Government. Telephone: 916/658-8208. A printable order form for the report is available at www.ilsg.org/userfiles/godoc/6398%2EInclusionaryHousingOrderForm2002%2EPDF.

Raleigh (NC) Aims to Deconcentrate Low-Cost Housing

In an effort to spread affordable housing across the city and prevent its concentration in disadvantaged neighborhoods, the Raleigh City Council is revising its affordable housing ordinance. In late May, the Council amended its "scattered-site policy" to identify areas where the Council wants to steer low and moderate income rental housing and to clarify that the policy covers any rental complex that receives city, state or

federal money. “We don’t want to concentrate assisted housing in any one part of town, and we want to provide opportunities for people to live in any part of town and have access to affordable housing,” Eileen Breazeale, the city’s community development director, told the *Raleigh News and Observer*. Under the new ordinance, an individual or family at or below 60% of the county median income will be considered low income, and those below 80% of median income will be deemed moderate income. The new guidelines divide the city into four zones, based on how many poor people and racial minorities live in each. City officials will give the zone with the fewest, covering much of West and North Raleigh, the highest priority for new subsidized housing. For more information: Eileen Brenzeale, Community Development Director, City of Raleigh. Telephone: 919-857-4330.

RESOURCES YOU CAN USE

The New Shape of Suburbia

Agencies and developers working on potentially controversial projects in suburban areas can find new tools to fight NIMBYism in the Urban Land Institute’s newest book, *The*

New Shape of Suburbia. The book includes a complete chapter on “Gaining Community Acceptance” by Debra Stein, president of GCA Strategies in San Francisco and the author of numerous books on dealing with NIMBYism. In *The New Shape of Suburbia*, readers can find detailed analyses both on how to avoid community opposition and anger and how to actually mobilize supporters to testify in favor of controversial projects, along with a review of some of the unique concerns suburban citizens often have about density, social change, and “quality of life.”

The book can be ordered at www.uli.org, and additional articles on dealing with hostile audiences and building community acceptance for controversial projects can be found at www.gcastrategies.com.

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.
