

MEMO to MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

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Reminder: All NLIHC memberships expired June 30

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Capitol Hill

Subcommittee Completes Disappointing Appropriations Process

On July 14, the House Appropriations Subcommittee on Veterans Affairs, HUD, and Independent Agencies marked up its appropriations bill, with a disappointing but not surprising outcome for housing programs. The subcommittee had \$90 billion to divide between Veterans Affairs, HUD, and the Independent Agencies, including the Environmental Protection Agency (EPA). The Administration had not requested enough funding to adequately fund all programs. Appropriators assert that if anyone is to blame it is HUD for an inadequate request, but Congress approved the budget request after hearing from advocates that the Department's request was inadequate.

The subcommittee allocated a net appropriation of \$31.8 billion to HUD, not including offsets. The \$31.8 billion is an increase of \$817 million from last year's budget and a \$96 million increase from the President's requested budget, inadequate to provide for rising housing costs and the increasing number of low income people who are unable to afford a home. Of serious concern is the funding for the Housing Choice Voucher program, which will not fully fund all vouchers currently in use (see following article). Also noteworthy is that the HOPE VI program, despite the President's plan, was not zeroed out. However, appropriators provided only \$50 million for the program. And two of the President's much-touted initiatives were not fully funded: The American Dream Downpayment initiative received only \$125 million of the \$200 million the President had requested, and his Samaritan Housing Initiative received no funding at all.

A description of how major programs fared follows.

Overall, public housing programs would receive slightly more than what the President requested. The **public housing capital fund** would receive an increase of \$71 million from the President's requested level, to \$2.7 billion. The funding for capital needs remains wholly inadequate, given the \$20 billion estimated backlog in capital needs. There was language in the bill that continues the backlog reduction initiative that gives bonuses to PHAs that spend their money in a timely fashion. HUD has promised to implement rules this year that would direct PHAs to spend money under the timeline that is mandated in the legislation. Once these rules are implemented, the Appropriations Committee will allow all funds to be distributed at one time. The subcommittee also directed HUD to continue providing quarterly reports on how the money is being spent. There is legislative language in the appropriations bill that makes a technical change to the FY03 appropriations bill to clarify that PHAs that are now in compliance with obligation and expenditure deadlines are eligible to receive backlog reduction funding. In addition, \$55 million was set aside in the capital fund for the Resident Opportunity and Self Sufficiency Program (ROSS).

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POINT OF VIEW

by Sheila Crowley, President

If there is anyone who still believes that the Bush Administration's motive for block granting the housing voucher program is to improve it, consider the Office of Management and Budget's latest projection for the federal deficit for 2003—\$455 billion, up from the \$304 billion February projection. At this point OMB says the 2004 deficit will be \$475 billion, but given the wildly inaccurate projections they have made so far, count on that number ballooning before long. And get this: The new numbers *do not* even include the cost of the U.S. actions in Iraq or Afghanistan, now running at \$5 billion a month. OMB claims that the deficit will start to shrink in 2005, a highly disputable proposition, but even OMB shows the deficit continuing at high levels through 2007. OMB's projections are optimistic compared to private analyses and what the Congressional Budget Office is expected to say next month. Moreover, the next five years may be the least of our problems, once the deficit begins to explode in 2008 as the first baby boomers retire. (See the Center on Budget and Policy Priorities' detailed report at www.cbpp.org.)

OMB projections assume a 1% increase in non-defense discretionary programs over the next five years. Therein lies the true rationale behind the housing voucher block grant proposal. It is about getting out of federal obligations. Housing vouchers are just one of several federal programs that the Administration wants to "devolve" to the states one way or another. Proposed for devolution are Head Start, Medicaid, Food Stamps, Unemployment Insurance, (See *Point of View* on p. 9)



NATIONAL LOW INCOME
HOUSING COALITION

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The **public housing operating fund**, which funds operating expenses such as utility payments and maintenance, received an increase of \$26 million above the President's request and \$23 million above the FY03 funding level, for a total funding level of \$3.6 billion. PHAs are expected to use some of this money for anti-crime and anti-drug activities. The committee asserts that all activities that were under the Public Housing Drug Elimination Program (PHDEP) are permissible uses under the operating fund. However, the operating fund has never been funded at a level to make up for the elimination of PHDEP. Representative Barbara Lee (D-CA) has introduced a bill to reauthorize PHDEP and provide additional funding.

Significantly, the committee did not approve this year the Administration's proposal to require a person living in public housing or rental assisted housing pay a minimum amount in rent. The committee also did not approve the Public Housing Reinvestment Initiative (PHRI). PHRI would have allowed PHAs to use Section 8 vouchers to leverage private funding. The committee acknowledged that several PHAs already obtain private financing, but said the initiative should be studied more before receiving appropriations.

HUD proposed sunseting **HOPE VI**, the revitalization program to rehabilitate and demolish distressed public housing, this year. HOPE VI is a demonstration program that was scheduled to last 10 years. As this is the tenth year, HUD asserts that HOPE VI has served its purpose and should no longer be funded. The Appropriators disagreed, but allocated only \$50 million to the program, a small fraction of the \$574 million that was appropriated to the program last year. The program has received bipartisan support and many Members of both the subcommittee and the full House say the program has been a success and should not end. There have been reports that more funding for HOPE VI may be allocated next week when the bill goes to full committee for markup, although it is unlikely the program would see its funding levels return to those of last year.

The **HOME** production and rental assistance program would be increased by \$77 million from last year's funding level. The committee did not match the Administration's request of \$2.2 billion, funding the program at \$2.064 billion. Under the formula grant, \$1.9 billion was allocated, a \$25 million increase. The President's American Dream Downpayment initiative was funded at \$125 million, \$75 million less than the President requested. The Administration also requested a separate account for housing counseling, but the committee decided to continue funding housing coun-

seling activities within the HOME program. Housing counseling would receive \$40 million from the appropriators in this fiscal year.

The **Community Development Fund**, which includes the Community Development Block Grant (CDBG) program, would receive \$4.9 billion, \$227,000 more than what the President requested. Out of that \$4.9 billion, CDBG would receive \$4.5 billion.

Housing Opportunities for People With Aids (HOPWA) received funding at the level requested by the Administration, \$297 million, an increase of \$7 million from last year's budget. The Committee said that HOPWA money should be used solely for housing for people with AIDS and not for services. The report asserts that services can be provided by other agencies, such as the Department of Health and Human Services. The report also charges HUD with providing a report to the committee no later than August 31 explaining the distribution of HOPWA funds over the last three years and looking at the funding for housing compared to the funding for services.

The **Homeless Assistance Grants**, which provide funding for programs under the McKinney-Vento Act including the Shelter Plus Care program, would receive \$1.2 billion, which includes full funding for the renewal of all expiring Shelter Plus Care contracts. The President's request would have funded the program at a level that is \$83 million higher than what the subcommittee has allocated. As a result of the subcommittee not meeting the President's request, the full funding of the Shelter Plus Care renewals will cause other services in the program to lose funding. The language also requires that no less than 30% of the funds appropriated, except funds for the renewals of Shelter Plus Care contracts, be used for permanent housing. The subcommittee declined to fund the Samaritan Housing Initiative. The President had requested \$50 million for this program.

Housing for the elderly, **Section 202**, received \$773 million in direct appropriations and \$16 million from unobligated balances for renewals of Project Rental Assistance Contracts (PRAC). The committee allocated \$695 million for new capital and project rental assistance contracts. But the committee appropriated only \$2 million for one-year renewals of expiring PRACs, for which the Administration requested \$26 million. The subcommittee report does include language allowing funds to be available for obligation for three years under this program.

The **Section 811 program**, housing for people with disabilities, received \$250 million in direct appropria-

(See Capitol Hill on p. 4)

National Housing Trust Fund Week Brings New Support; Senate Bill Introduced

Representative Jim Davis (D-FL) cosponsored H.R. 1102, the National Affordable Housing Trust Fund Act, this week, bringing the total number of cosponsors in the House to 203. A complete list of cosponsors is available at www.nhtf.org.



In the Senate, Senator John Kerry (D-MA) has introduced S.1411, the National Affordable Housing Trust Fund Act of 2003, with only one co-sponsor, Senator Lincoln Chafee (R-RI). The National Housing Trust Fund Campaign is currently evaluating the bill. It appears that several differences between the Campaign's proposal for legislation and Senator Kerry's bill remain unresolved.

In the field, the Crossroads Urban Center of Salt Lake City has made a considerable effort to collect endorsements for the National Housing Trust Fund Campaign, submitting more than 100 endorsements in the past month. Among the endorsements are several elected officials and religious leaders, including Senator Al Mansell (R-Salt Lake City), president of the Utah State Senate, and Bishop Carolyn Tanner Irish of the Episcopal Diocese of Utah. Their efforts have added significantly to the momentum of the campaign. In addition, Mayor James Schmitt of Green Bay, WI, has added his endorsement to the Campaign, pushing the number of endorsers over 4,300.

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HUD

HUD Studies Discrimination Against Asians and Pacific Islanders

On July 1, HUD released the results of an 11-city study examining the issue of housing discrimination against Asians and Pacific Islanders in metropolitan areas. *Discrimination in Metropolitan Housing Markets: Phase 2-Asians and Pacific Islanders* represents the first time the issue of discrimination has been explored specific to Asians and Pacific Islanders, and the results charge that one out of five people in this population face discrimination when attempting to buy or rent a home. This level of discrimination is about the same as the level for African American renters and homebuyers and Hispanic renters; it is significantly higher than the level of discrimination against Hispanic homebuyers. The 11 metropolitan areas studied account for 77% of America's Asian and Pacific Islander population.

Although housing discrimination remains a major issue for all minorities, HUD reports there has been some progress in tackling this issue. At the beginning of the Bush administration, 85% of discrimination cases were considered "aged" (over 100 days old). By October of 2002, this percentage had dropped to 29%, indicating progress.

The report was done for HUD by The Urban Institute and is available at www.huduser.org/publications/hsgfin/hds_phase2.html. Future studies will look at discrimination towards Native Americans and people with disabilities. An earlier phase of the research looked at discrimination against African-Americans and Hispanics.

HUDClips

On July 14, Ginnie Mae, a government corporation within HUD, issued Notice FR-4810-N-02, which announced the release of certain loan-level data on Ginnie Mae Mortgage-Backed Securities to the public. Ginnie Mae will now make delinquency information available to the public on the multifamily loans that back Ginnie Mae securities, in order to achieve a fairer market in Ginnie Mae-guaranteed multifamily securities.

All notices are available at www.hudclips.org.

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tions and \$6 million from unobligated balances from PRAC renewals. Out of the \$256 million, \$213 million is allocated for new capital and PRAC contracts and new vouchers, which is \$2.8 million more than last year. The Administration had requested the authority to waive any statutory or regulatory requirements under this program, which the subcommittee did not do, commenting that any statutory or regulatory changes need to be made through the appropriate process.

The **Rural Housing and Economic Development** program received \$25 million. HUD, as it has done for the past two years, did not request any funds at all this year, but the program has considerable support. The **Native American Housing Block Grant**, which provides funding to Indian tribes and tribally designated entities to provide affordable housing in Native American communities, would be funded at \$15 million above the President's request. The program would receive \$661 million.

The **Brownfields Redevelopment** program, intended to redevelop contaminated sites and provide jobs to low income people, would receive \$25 million. The Administration tried to eliminate this program as well, saying it duplicates efforts of the Environmental Protection Agency. But the subcommittee suggested in the report that HUD work collaboratively with EPA to redevelop sites.

Once again, the subcommittee would rescind recaptured **Section 236** rental assistance funds that could be used to repair and preserve assisted housing. The proposed rescission would be \$303 million, on top of the \$100 million rescission in FY03. The **Lead Hazard Reduction** fund received a decrease of \$44 million from last year's budget, for an allocation of \$130 million. Funding for **Fair Housing Activities** received an increase of \$4 million from last year's budget.

The **Government Sponsored Enterprises (GSEs)**, which provide government-insured mortgages to foster homeownership in low income communities, received a \$200 billion limitation on loan commitments for mortgage backed securities and \$10 million for administrative expenses to be used for salaries and other expenses. The Office of Federal Housing Enterprise Oversight (OFHEO), which regulates the GSEs, received \$32 million for salaries and expenses, a \$2 million increase over last year's budget.

The full House Appropriations committee is scheduled to mark up the bill on Monday, July 21. All figures included in the subcommittee bill are recommended levels and are subject to change. The Senate has yet to officially schedule its markup.

Voucher Funding Appropriations Inadequate

As described above, the VA-HUD Appropriations Subcommittee met on July 14 to mark up its FY04 bill. On voucher funding, an initial assessment indicates that the subcommittee improved somewhat upon the President's request, but would still have a shortfall in the range of several hundred million dollars and would fail to fund many thousands of vouchers in use. Advocates around the country participated in call-in days on July 14 and 15 to let their Members of Congress know about the serious inadequacy of HUD's request for voucher funding.

The subcommittee provided \$13.2 billion for voucher renewals, including a base renewal appropriation of \$11.8 billion, \$569 million for the central fund, and \$1.189 billion in administrative fees (with \$100 million of the central fund anticipated to be used, as suggested by HUD's request, to replenish the program reserves). Unlike HUD's request, the subcommittee's bill rescinds nearly \$1.4 billion in unobligated balances, rather than simply relying on the availability of such funds; this rescission allows for an increase in the actual appropriation level compared to HUD's request. The subcommittee asserts that it would provide renewals for 96% of all vouchers authorized. The Center on Budget and Policy Priorities (CBPP) estimates that utilization will be approximately 96.7% at the beginning of FY04. The subcommittee would continue the method of funding vouchers established in the FY03 appropriations legislation, intending to provide sufficient funding for vouchers in use based on end-of-year financial statements, adjusted by additional information submitted by PHAs to HUD.

The subcommittee did not divide the Housing Certificate Fund into two accounts, as suggested by the President, for project-based and tenant-based assistance. HUD intended this division to lay the groundwork for its conversion of the voucher program to a block grant called Housing Assistance for Needy Families (HANF). In its report, the subcommittee said that it would defer any action on the block grant proposal until it had been fully vetted by the authorizing committees. Consequently, the subcommittee did not provide \$100 million for states to transition to the block grant, as requested by HUD. The subcommittee indicated in its report that it intended \$4.72 billion to be allocated to project-based renewals, the same as HUD had requested for the separate account for that purpose.

In related voucher news, the analysis by CBPP released late last week that found that the President's request for voucher funding was \$1.26 billion short and would

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fail to fund 184,000 vouchers in use generated press reports across the country. On July 14, HUD responded by saying that the CBPP's analysis "uses incomplete data to draw erroneous conclusions." In the *Boston Globe*, HUD Assistant Secretary Michael Liu went so far as to call the analysis "specious" and "flat-out wrong."

CBPP responded on July 16 with a brief defense of its data and analysis. CBPP said that its analysis relied on data that HUD itself had collected and is using now to fund public housing agencies (PHAs) that administer vouchers. The analysis was based on the "most complete and timely data available" about voucher costs and utilization, covering the period from August 2002 through January 2003. Indeed, the data is significantly more timely than that used to develop the President's FY04 budget request, which included figures dating back to FY01. CBPP also noted that HUD has not provided any of its own figures that differ from or would counter CBPP's analysis. CBPP's analysis and response to HUD can be found at www.cbbp.org.

House And Senate Act On Rural Housing Funds For FY04

On July 15 a Senate Appropriations Subcommittee, and on July 17 the full Senate Appropriations Committee, approved an FY04 spending bill for the Rural Housing Service (RHS) and other agriculture programs that fall under the U.S. Department of Agriculture. Earlier, on July 14, the full House of Representatives passed H.R. 2673, their version of an agriculture appropriations bill for 2004. In both the House and Senate bills, the funding remains wholly inadequate to cover the need, but rural housing programs received few cuts. Funding levels for 2004 include:

- Section 502 single-family direct loans: \$1.359 billion in the Senate and \$1.367 billion in the House. This is an increase from 2003 of more than \$320 million.
- Section 515 rental: \$115.1 million in the Senate and \$116.5 million in the House (essentially no change from 2003). The administration's budget had called for a cut to \$71 million.
- Section 521 rental assistance: \$721.3 million in the Senate (the same as 2003) and \$731 million in the House.
- Section 504 repair loans: \$35 million in both (the same as 2003).
- Section 516 farm labor housing: \$17 million, Senate and \$18 million, House.
- Section 538 rental housing guaranteed loans: \$100 million in both the House and Senate (same as 2003).

Full details will be available next week on the Housing

Assistance Council's web site and newsletter at www.ruralhome.org.

—Thanks to the Housing Assistance Council for assisting with this article.

Administration Defends Burgeoning Deficit

The newly confirmed Director of the Office of Management and Budget (OMB), Josh Bolten, was on the hot seat during the week of July 11, explaining to the media and Congress why the federal budget deficit would still be "manageable" despite a significant increase in its projection. According to OMB's Mid-Session Review of the Budget, the deficit for FY03 is now projected to be \$455 billion, compared to the \$304 billion projected in February. The projected deficit for FY04 is \$475 billion. OMB downplayed the role of the Bush Administration's tax cuts in creating the deficit.

OMB's Review noted that the deficit is 4.2% of the Gross Domestic Product (GDP), below the 1983 post-war peak of 6.0% of GDP. OMB also shows the deficits decreasing toward the end of the decade, hitting \$213 billion in FY07 and \$226 billion in FY08. But the Center on Budget and Policy Priorities (CBPP) has a different view. CBPP notes that if an extension of the currently temporary tax cuts is taken into account, along with other likely spending, the deficit will never fall below \$325 billion in any year and will hit \$530 in 10 years. CBPP also points out that the recent tax cuts will cost nearly three times the various combined costs of wars, fighting terrorism, rebuilding after September 11, and increasing homeland security in FY03 and FY04. CBPP calls the budget picture over the next 10 years "grim" because of total deficit projections of \$4.1 trillion.

Mr. Bolten testified before the House Budget Committee on July 16. In response, Representative John Spratt (D-SC), Ranking Member of the House Budget committee, released the following statement: "In its new Mid-Session Review, the Administration forecasts that the 2003 federal deficit will hit \$455 billion, the largest federal deficit in American history. Despite earning this dubious honor, the Administration shows no shame, expresses no shock, and offers no solutions to the nation's fiscal woes. And as troubling as the new report is, the nation's fiscal condition is actually far worse."

Minimum Wage Fight Continues

Senator Edward Kennedy (D-MA), long-time champion of increasing the minimum wage, tried to offer a minimum wage amendment to S. 925, State Department authorization legislation, on July 11. To prevent the Kennedy amendment from being offered, the Senate

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leadership pulled S. 925 from the Senate floor, according to reports in *CQ Today*. The amendment would have provided for a minimum wage increase of \$1.50 over the next two years, bringing the minimum wage to \$6.65. This would be the first increase in seven years and would mirror stand-alone legislation introduced early in the 108th Congress.

In a colloquy on the floor, Senator Kennedy noted that, since the last minimum wage increase, Senators had increased their own salaries five times. The value of these pay increases, amounting to \$21,000, are nearly double the yearly wages of a full-time minimum wage worker. Alluding to the statistics in *Out of Reach*, the Senator noted that “[t]he current minimum wage fails to provide enough income for minimum wage workers to afford adequate housing anywhere in the country.” As a result, these workers are forced to “make impossible choices between paying the rent and buying groceries or between paying the heating bill and buying new clothes.” Senator Kennedy will continue to seek a legislative vehicle for a minimum wage amendment.

Senate Hearing Held on Oversight of Government Sponsored Enterprises

On July 17, the Senate Committee on Banking, Housing, and Urban Affairs held a hearing concerning the regulatory oversight of government sponsored enterprises’ (GSEs) accounting practices. The committee heard testimony from Armando Falcon, Jr., the interim director of the Office of Federal Housing Enterprise Oversight (OFHEO). Mr. Falcon discussed the role of the OFHEO in overseeing the GSEs, specifically as related to Freddie Mac’s recent management changes and the decision to engage in a re-audit of the mortgage giant’s finances.

Chairman Richard Shelby (R-AL) framed the hearing by encouraging committee members to take a “critical and deliberate look at OFHEO’s oversight of the government sponsored enterprises” and to “analyze the efficiency and scope” of the OFHEO. Senator Shelby and Ranking Member Paul Sarbanes (D-MD) expressed concern that the OFHEO did not know about Freddie Mac’s accounting problems until PricewaterhouseCoopers and Freddie Mac identified these issues in June of 2003. “If you were in the dark, we were lucky that [the earnings of Freddie Mac] are going upward. If it was a huge loss, you would not have known,” Senator Shelby stated. Mr. Falcon responded that the OFHEO would have known about a loss since the growth of Freddie Mac’s earnings are real earnings, not projections. Restating the role of OFHEO, Mr. Falcon stated, “My primary focus is the conduct of the company.”

Senators Chuck Hagel (R-NE) and Charles Schumer (D-NY) suggested that the OFHEO be moved to the Treasury Department. Senators Hagel, John Sununu (R-NH), and Elizabeth Dole (R-NC) will be introducing a bill similar to House legislation H.R. 2575 that would abolish OFHEO and give the Treasury Department responsibility for monitoring the GSEs. When asked by Senator Schumer about this idea of restructuring, Mr. Falcon stated that it is not important where OFHEO resides, but that it is essential that the resources for independent regulation are provided. Currently, the OFHEO has submitted a supplemental funding request of \$4.5 million to support the ongoing investigation of Freddie Mac and to conduct a special investigation of Fannie Mae. Mr. Falcon has stated that he is not concerned about Fannie Mae’s accounting practices, but he feels that “such a review would be prudent under the circumstances.”

A House hearing on H.R. 2575 also scheduled for Thursday morning was postponed. According to a report in *CQ Today*, Representative Richard Baker (R-AL), chairman of the subcommittee and sponsor of H.R. 2575, postponed the hearing after Fannie Mae indicated that it would not testify. According to *CQ Today*, Mr. Baker suggested that, if necessary, the subcommittee might issue subpoenas to force the mortgage companies to testify before them. Chuck Greener, senior vice president for communications’ at Fannie Mae, said in response to Mr. Baker’s statement that “[S]ince Fannie Mae has no specific knowledge of, or insights into, Freddie Mac’s issues, we respectfully declined the invitation to testify at this time.” Freddie Mac also issued a statement, saying it was prepared to testify.

Mr. Baker said he plans to pursue the issue again after Congress returns from the August recess.

GAO Looks at How Current Conditions Affect Welfare Reform

On July 15 the General Accounting Office (GAO), at the request of the Senate Finance Committee, submitted to the Committee *Welfare Reform: Information on Changing Labor Market and State Fiscal Conditions*, an evaluation of how the current labor market and economic conditions are affecting the goals of the TANF program. The Senate Finance Committee specifically asked GAO to evaluate four main concerns: how the labor market has changed in recent years; how cash public assistance caseloads and the employment activities of current and former welfare recipients have changed in recent years; how the fiscal situation of states has changed in recent years; and to what extent states have made changes to their welfare programs

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as a result of fiscal changes. The evaluation was conducted from February to May 2003.

The report finds that unemployment has increased at different levels in all the states evaluated and that unemployment was the highest for those with less than a high school degree. GAO also reports that sectors that generally hire TANF recipients, such as the service sector, are experiencing the highest in unemployment rates. In the majority of the states evaluated, TANF recipients are experiencing more difficulty in finding jobs. States are reporting that they have not changed the requirements of the TANF program as a result of the current fiscal situation, but have cut benefits or services. It was also reported that more money has been dedicated to serve families with more employment barriers, such as transportation or substance abuse.

The report can be found at www.gao.gov/cgi-bin/getrpt?GAO-03-977.

Housing Field Hearing Scheduled

The House Subcommittee on Housing and Community Opportunity will hold a field hearing in Columbus, OH, at 1:30 pm on Tuesday, July 29, titled "Housing and Community Development Policies in the State of Ohio." According to a press release from the committee, the hearing will focus on the voucher program, Community Development Block Grant (CDBG) programs, and affordable housing production in Ohio. NLIHC board chair Bill Faith of the Coalition on Homelessness and Housing in Ohio is scheduled to testify on the voucher panel.

The Ohio field hearing follows a similar hearing held in Los Angeles earlier in the month. To date, Ohio Representatives Bob Ney (R, subcommittee chair), Patrick Tiberi (R), Steven LaTourette (R), and Stephanie Tubbs Jones (D) are scheduled to participate, as is Representative Maxine Waters (D-CA), ranking member of the subcommittee.

New Legislation

On July 15, Representative Doug Bereuter (R-NE) introduced H.R. 2740. The bill amends the National Housing Act to authorize the Government National Mortgage Association to guarantee securities backed by loans guaranteed by the Rural Housing Service under Section 538 of the Housing Act of 1949. The bill has been referred to the House Financial Services Committee.

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/>.

Update from the Field

KY Fair Housing Council Wins Civil Suit Against Builder

A U. S. District Judge recently ruled that WKB Associates, a Louisville homebuilder, violated the Fair Housing Act by not constructing units that are accessible to the disabled. The recent ruling calls for the company to fix the problems, which include doors that are too narrow to accommodate wheelchairs and steps that bar wheelchairs.

In addition, the Fair Housing Council was able to convince the architect of the development in question to write a letter to all of Kentucky's architects informing them how important it is for them to be knowledgeable of and about how to meet the requirements of the Fair Housing Act.

"This is really a fair housing issue and one that addresses the needs of disabled homeowners," said Jane Walsh, executive director of the Metropolitan Housing Coalition in Louisville. "The disabled and elderly are by no means all low income, but implementing the Fair Housing Act in this case ensures that this population has access to safe and decent housing."

The civil suit began in 1997, with the Fair Housing Council partnering with the Center for Accessible Living in Louisville to win a HUD grant in the amount of \$600,000. The grant was used in part to identify local violators of the Fair Housing Act.

In 1998, after testing and hiring an accessibility expert to review WKB properties, the Fair Housing Council filed suit against WKB. While WKB contends that they did what was necessary to meet local building codes, the judge found they did not meet federal requirements.

The suit has motivated local building code officials to begin examining plans for violations of both sets of codes. It has also encouraged several state elected officials, unsuccessfully, to adopt the federal accessibility code.

For more information, contact the Kentucky Fair Housing Council at 502-583-3247 or kyfairhousingcouncil@people.com.

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Resources

Affordable Housing Production: Comparing the Expenditures of 6 Cities

A new report by the Southern California Association of Non-Profit Housing looks at housing production expenditures for six major U.S. cities: Chicago, Los Angeles, New York, Phoenix, San Diego, and San Jose. San Jose and New York spend the most per person (\$101.87 and \$74.88, respectively) on affordable housing production, Los Angeles and Phoenix the least (\$43.16 and \$30.52).

In terms of general conclusions, the report finds that cities rely heavily on federal funding for housing production, and as such need to be aware of the status of these federal programs. Additionally, California cities rely heavily on funds transferred from housing agencies. Housing departments generally have not spent this money quickly enough, and as such there have been attempts in California to shift some of these funds into helping balance the state budget.

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.

NLIHC Welcomes Research Analyst

Mark Treskon has joined NLIHC as a research analyst. Before coming to NLIHC, Mark served as a research analyst for the National Community Reinvestment Coalition (NCRC) where he dealt extensively with fair lending issues. He holds a master's degree in urban planning from the University of Toronto and a bachelor's degree in geography from the University of Chicago. The research analyst position is a new one, and Mark will be working with U.S. Census and American Housing Survey data to help further NLIHC's research agenda. Welcome, Mark!

News & Events

Covering Kids & Families

There are more than 41 million uninsured Americans, including 8.5 million children. Most of these children are eligible for Medicaid or the State Children's Health Insurance Program (SCHIP), but are not enrolled. Covering Kids & Families, a national initiative of The Robert Wood Johnson Foundation, is reaching out to connect these children and their families to available health care coverage.

This July, Covering Kids & Families will launch Back-to-School 2003, an annual campaign that informs families about available health care coverage and encourages them to put enrolling their children in Medicaid or SCHIP at the top of their back-to-school checklist. Back-to-School will include hundreds of outreach and enrollment activities all across the country. The campaign will also use public service advertising, media outreach, and corporate and organizational partnerships to get the word out that there is help available for these hard-working families and their children.

Covering Kids & Families will hold a national launch event in Washington, D.C., on July 31. Organizations interested in being a part of the Back-to-School 2003 initiative should visit www.coveringkids.org/.

Fact of the Week

How is each tax dollar spent?

Military and Defense: 26¢

*Interest on Debt: 23¢

Health: 19¢

Income Security: 5¢

Veteran's Benefits: 3¢

Education: 3¢

Nutrition: 2.5¢

Natural resources: 1.6¢

Housing: 1.6¢

Job training: .4¢

Other: 14¢

*Non Military Share: 17¢

Military Share: 6¢

Source: National Priorities Project, *Tax Day 2003*, 2003.

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

as well as job training, transportation, and child welfare funds. There is no evidence that devolution results in improved efficiency, much less improved quality of service. There is ample evidence that devolution means that the federal government will not have to spend as much as money. Flexibility, the mantra of devolution devotees, is meaningless if there is less money to spend. In a political and fiscal environment that embraces federal deficits for the long term, devolution can only be understood as stage-setting for funding and service cuts.

The voucher block grant and the other similar proposals are not being adopted wholesale by Congress. They face serious opposition from many quarters. But it is much too soon to let down our guard. The Administration is laying the foundation for Congress to look to these ideas in the future as the budgetary noose tightens. "Blame the deficit on spending" is the lead talking point for the apologists for Bush budget busting. When they decide deficits of these proportions are unacceptable, they will turn to programs for the poor

as the place to start spending cuts. Devolving these programs will make it easier for Congress to make cuts in funding, forcing states to do the dirty work of cutting services and hurting real people.

What is interesting is that the sheer number of block grants that emerged from the President's budget this year gives credence to the stage-setting analysis. The history of block grants is that they lose value over time. This is not about flexibility and better management of programs. This is about abdicating federal responsibility and letting federal programs waste away.

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 Low Income Housing Coalition
Memo to Members
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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.