

# MEMO 2 MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

Volume 8, Issue No. 30 • August 1, 2003

## Reminder: All NLIHC memberships expired June 30

If you have not yet renewed your membership in 2003, do so today to avoid missing out on *Memo to Members* and other member services! To renew, visit [www.nlihc.org/about/join.htm](http://www.nlihc.org/about/join.htm) or call 202-662-1530 x227.

## Capitol Hill

### Housing Needs in Ohio and Nationwide Subject of Field Hearing

Making good on his promise to hear about housing needs around the country, Representative Bob Ney (R-OH), chair of the Subcommittee on Housing and Community Opportunity of the House Financial Services Committee, brought his colleagues to Columbus on July 29 to learn about housing and community development policies in his home state. Mr. Ney was joined by a fellow member of the subcommittee, Representative Pat Tiberi (R-OH), of Columbus. Representative Steve LaTourette (R-OH), a member of the full committee, and Representative Stephanie Tubbs Jones (D-OH), a committee member in the 107th Congress, were also present.

The subcommittee had a full session, with 20 witnesses testifying, including Columbus Mayor Michael Coleman. The topics covered by the witnesses were far-reaching, including the need for additional production and preservation resources, the proposed block grant of the Section 8 program, and community development issues in Ohio. On the topic of housing production and preservation, Bill Faith, Executive Director of the Coalition on Housing and Homelessness in Ohio and Chair of the NLIHC Board of Directors, noted the passage of a permanent source of funding for the state's housing trust fund through the enactment of an increased recordation fee. Mr. Faith urged Mr. Ney to schedule a hearing on H.R. 1102, the National Affordable Housing Trust Fund Act, and emphasized the need for dedicated sources of revenue in the current budget environment.

Mr. Faith was joined in urging consideration of additional federal resources for production of rental housing to serve the lowest income people by Thomas Slemmer of National Church Residences; representing the American Association of Homes and Services for the Aging; Bambi Baughn of the Community Action Committee of Fayette County; Roy Lowenstein of the Ohio Capital Corporation for Housing; Sally Luken of the Corporation for Supportive Housing; William Hale of Portage Area Development Corporation; Roberta Garber of Community Research Partners; Claretta Bell Tavares of the Columbus City Council; and others.

Witnesses also discussed the need to maintain the existing assisted housing stock. Mr. Slemmer pointed out the significant rehabilitation needs of assisted  
(See **Capitol Hill** on p. 2)

## A note to *Memo* readers who read the .pdf version:

The .pdf of *Memo* works best with Adobe Acrobat versions 5.\* and we recommend that our readers continue to use version 5 of the Acrobat reader. Printing is very slow in Acrobat Reader version 6.0 for .pdfs not made with the most recent version of Adobe Distiller or made with other .pdf software.

## Point of View

Sheila Crowley is on vacation. "Point of View" will return on August 15.

## Update from the Field New Jersey State Housing Funds Saved

Since June, New Jersey advocates have been entrenched in a battle to prevent \$25 million from being taken from the state's Housing and Mortgage Finance Agency (HMFA). In a victory that shows the direct effect of grassroots advocacy, the governor and the New Jersey legislature have restored the final FY04 budget of \$25 million to the HMFA.

The preservation of this funding allows HMFA to finance the development of 1,000 additional units of affordable housing this year. Furthermore, state programs critical to low income families and individuals also survived the budget cuts.

"This is a victory for hard-working New Jersey families who desperately need safe, decent, affordable places to live. Once [Governor James E. McGreevey (D) and the legislature] were made aware of the hardships facing New Jersey residents seeking housing, policy makers made the right decision," said Arnold Cohen, Policy Director of the Housing and Community Development Network of New Jersey (HCDNNJ).

This success is attributable to the energy, time and dedication of HCDNNJ, advocates, and

(See **Update from the Field** on p.

6)



NATIONAL LOW INCOME  
HOUSING COALITION

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

housing for seniors and the lack of capital reserves for such rehabilitation. Mr. Slemmer also pointed out the need for HUD to engage more actively in preserving assisted properties at risk of opting out of a federal housing assistance program or prepaying a federally subsidized mortgage. Mr. Faith thanked the subcommittee's staff for its help in trying to push HUD to restart the OTAG-ITAG program so that tenant organizations and advocates could continue to receive technical assistance funds to participate in preservation efforts.

Ms. Tavares, Amy Kuhn of the Ohio Department of Development, and Walter Cates of the Main Street Business Association all discussed the value of CDBG and made suggestions for improvements. Ms. Kuhn recommended increased flexibility for states to use CDBG funds for technical assistance and administration; she also suggested a dedicated source of funds for technical assistance within CDBG. According to Mr. Cates, HUD needs to become more attentive to the situation in the actual neighborhoods that receive federal funding.

There appeared to be no support for the block granting of the Section 8 program among the several panels that testified, although there were recommendations for more limited changes to voucher policy. LaToya Fisher described the value of the voucher program and the Family Self-Sufficiency program in helping her move from her mother's home into a rental apartment and then eventually into her own home. She said that she could not comment on the voucher program as it operates nationwide, but expressed concern about changes to the voucher program that could lessen it as a resource for people in Columbus.

Steve Gladman, representing the Columbus Apartment Association and the Midwest Affordable Housing Management Association, recommended increases in fair market rents and voucher payment standards, on-time payments for landlords, and discontinuation of inspections. Dennis Guest, executive director of the Columbus Metropolitan Housing Authority, while not proposing the elimination of inspections along the lines of Mr. Gladman's testimony, would require less frequent inspections. Fred Zawilinski of the Lake Metropolitan Housing Authority joined Mr. Gladman and Mr. Guest in opposition to the proposed block grant. Mr. Zawilinski poked holes in the argument that the Section 8 block grant proposal would improve coordination with the Temporary Assistance for Needy Families program. Instead, he urged greater attention to existing programs that could increase economic well-being, such as the Family Self-Sufficiency program.

The subcommittee adjourned its field hearing to continue its summer recess, but reports are that an additional field hearing will be scheduled somewhere in the South.

## Appropriations Outlook

Advocates began the week of July 28 pleased that the House of Representatives, as one of its last actions prior to leaving for recess, had passed an amendment to the VA-HUD appropriations legislation moving \$150 million from HUD's Working Capital Fund to Section 8 voucher renewals. Even with the additional \$150 million, voucher renewals remain approximately \$433 million short —meaning funding for 63,000 vouchers would be lost. But the evident bipartisan support for adding resources to Section 8 renewals in the face of a funding shortfall and limited options for an offset within the VA-HUD allocation sent a message to the other side of the Capitol.

The Senate, in session for a week later than the House, did not take up the VA-HUD appropriations bill. There are conflicting reports about how quickly the VA-HUD subcommittee will mark up the legislation once the Senate reconvenes in September. On July 31, 17 organizations from the faith community sent a letter to the Senate subcommittee urging full funding for the voucher program. The religious organizations signing the letter invoked charity, responsibility, righteousness, and justice as the motivations for their work and requested Congress's help in that work through the funding and expansion of the voucher program.

## Energy Bill Switch, But Housing Provisions Remain

After a week of debate and deadlock on the energy bill in the Senate, the *Washington Post* reports that the Senate was able to pass a bill by following the advice of Minority Leader Tom Daschle (D-SD) and taking up its energy bill from the 107th Congress. That legislation had passed the Senate last year but an agreement could not be forged in conference before the end of the 107th Congress. With Republicans planning to add their preferred provisions in conference and the Democrats promised the opportunity for separate votes on issues of concern to them, the chamber abandoned its more current legislative vehicle and passed the older bill on a vote of 84-14.

Provisions to support energy efficiency activities in connection with federal housing programs were put forward by Senator Jon Corzine (D-NJ) in the 107th Congress and included in the energy legislation in the 108th Congress as well. Given that the Senate passed

*(See Capitol Hill on p. 4)*

## HUD

### RESPA Settlements Announced

On July 28, HUD announced that it had reached settlements in four cases involving violations of the Real Estate Settlement Procedures Act (RESPA). The cases settled involved kickbacks or unearned fees in violation of RESPA. In one case, a title insurance company paid kickbacks to real estate brokers or mortgage brokers through a series of phony companies set up for that purpose. In two other cases, real estate agents affiliated with Caldwell Banker brokerages took “virtual tours” in exchange for referring business to title companies. In the fourth case, real estate agents were paid in violation of RESPA for filling out on-line loan applications.

HUD has proposed reforming RESPA, but has been unable to garner Congressional support for its proposed reforms.

### HUDClips

On August 1, the HUD’s Office of the Assistant Secretary for Public and Indian Housing released notice FR-4824-P-01. The notice informs public housing authorities (PHAs) of a proposed rule that would give them the discretion, in accordance with federal law and regulations, to evict public housing tenants who are over the income limit for eligibility to participate in public housing programs. PHAs may decide that such families should be able to find other housing and that public housing units should be made available for families with greater housing need. Comments are due September 30.

The Office of the Assistant Secretary for Public and Indian Housing issued FR-4507-F-02 on August 1. The notice announces a final rule promulgating HUD’s regulation for section 9(j) of the United States Housing Act of 1937, which deals with the obligation and expenditure of Capital Fund Program funds by public housing agencies, in accordance with congressional direction. Effective September 2.

All notices are available at [www.hudclips.org](http://www.hudclips.org).

## National Housing Trust Fund

### Endorser Call Scheduled

The National Housing Trust Fund Campaign will hold its next monthly endorser call on Thursday, August 7, at 3 pm eastern time. Following a national campaign update, Linda Hilton of the Coalition of Religious Communities in Salt Lake City, UT, will lead a discussion on how her organization was able to work with other Utah activists to gather more than 150 endorsements in the past few weeks. Watch [www.nhtf.org](http://www.nhtf.org) for more details.



### NLIHC Staff

- Sheila Crowley, President, x224
- Daniyel Dickey, Legislative Intern, x232
- Julie Eisenhardt, Field Organizer, x223
- Katie Fisher, Field Organizer, x222
- Melissa Higuchi, Membership Associate, x227
- Harry Lawson, Field Director, x243
- Khara Norris, Executive Assistant, x224
- Krishna Patel, Communications Intern, x241
- Danilo Pelletiere, Research Director, x237
- John Pourciau, Field Intern, x241
- Irene Basloe Saraf, Legislative Director, x242
- Kim Schaffer, Communications Director, x230
- Michelle Goodwin Thompson, Office Manager, x234
- Mark Treskon, Research Analyst, x245
- Carol Vance, Receptionist/Office Assistant, x221
- Cathy White, Deputy Director, x228
- Kim Willis, Policy Analyst, x314

### 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](http://www.nlihc.org), or e-mail [membership@nlihc.org](mailto:membership@nlihc.org) or call 202-662-1530 to re-

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

its recycled legislation from the 107th Congress that had included Senator Corzine's energy efficiency proposals, it appears that Senator Corzine's provisions remain part of that legislation. Senator Corzine's provisions would:

- increase the CDBG public services cap for energy conservation and efficiency activities,
- authorize incentives in a variety of FHA mortgages to support increased energy efficiency,
- allow the use of the Public Housing Capital Fund for energy efficiency improvements in public housing, and
- provide grants for improvements that conserve energy in assisted housing.

### Omnibus Bringing America Home Bill Introduced

As reported last week in *Memo*, Representatives Julia Carson (D-IN) and John Conyers (D-MI) have introduced H.R. 2897, the Bringing America Home Act (BAHA), with a total of 28 cosponsors. The bill is truly comprehensive and includes numerous provisions related to such issues as housing security, economic security, health care security, and civil justice.

The housing security provision addresses several different programs, including the National Housing Trust Fund and Section 8. The bill includes the entire legislative language of H.R. 1102, the National Affordable Housing Trust Fund Act of 2003. In addition, there is language to increase the number of Section 8 vouchers by 1.5 million over the next ten years. The rationale behind the voucher increase is that if the Trust Fund is enacted, there will need to be enough vouchers for people to take advantage of the increased housing available.

Also included in the housing security section is authorizing language to create an emergency rent relief fund. This would provide grants for emergency rent relief payments to landlords on behalf of tenants facing eviction. There is also legislative language in BAHA to require any units demolished with federal dollars be replaced with a new unit, which would result in no net loss of housing. This provision addresses concerns housing advocates have about the HOPE VI program, which demolishes and renovates public housing but in many instances leads to a net loss of public housing units.

Another section of the bill would authorize much-needed increases in appropriations to several housing programs, including rural housing programs, veteran housing programs and Section 202 and 811, support-

ive housing for the elderly and disabled, respectively. Section 202 would receive an increase of \$1.4 billion for FY04 and Section 811 would receive an increase of \$502 million. There is also a \$4 billion increase to the HOME program for FY04.

BAHA would provide for grants to public housing agencies to establish public housing police forces. This provision could make up for the loss of funding under the Public Housing Drug Elimination Program (PHDEP), which provided funding to PHAs for increased security. Also included is language similar to a bill introduced by Representative Danny Davis (D-IL) that would provide a low income housing tax credit to ex-offenders. An eligible ex-offender has to be enrolled in a support service program, which provides such services as job training.

There is also language reauthorizing all McKinney-Vento programs from the housing certificate fund, in order to provide a more stable source of funding for the programs. The bill also includes language authorizing permanent housing as an eligible use of surplus federal property under Section V of the McKinney – Vento Act. In addition, there is language mandating Continua of Care to coordinate and collaborate with local school districts and homeless liaisons, as well as mandating the consideration of school stability of children when shelter placements are made.

The economic security provision of the bill addresses training programs and supplemental security income (SSI). There is language in the bill to authorize a "homebuild" program, in which assistance such as apprenticeship programs and other training is offered to address employment barriers. Also included in the bill is language to increase the asset limit for SSI to up to \$4,500, and language to repeal the statute that allows people residing in emergency shelters to receive SSI only six months out of every nine months they are in emergency shelters. In addition, there is a Sense of Congress resolution supporting a universal living wage.

The bill also includes a number of health care provisions. In one, Congress resolves to guarantee that every person in the United States has access to comprehensive, quality, and affordable health care. There is also language to reauthorize and strengthen two programs, Projects for Assistance in Transition from Homelessness (PATH) and Grants for the Benefit of Homeless Individuals (GBHI), that provide mental health, addiction, and other services. The programs are currently not being funded to meet the needs of the homeless population. The bill would increase funding to \$100 million for both programs.

*(See Capitol Hill on p. 5)*

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

In the civil justice section of the legislation, language criminalizing homelessness. This section also authorizes restrictions on communities receiving CDBG and HOME funds. One such restriction is that cities receiving CDBG and HOME funds cannot pass ordinances that have a disparate impact on people who are homeless or that punish people who are homeless for carrying out life sustaining practices in public spaces when no alternative public spaces are available. There is also a requirement that the U.S. Postal Service provide post office boxes at no charge to people experiencing homelessness.

The bill also includes a resolution in the housing section that would have Congress acknowledge housing as a human right. Another similar resolution acknowledges that there are barriers that domestic violence victims face in finding housing. This Sense of Congress allows full funding for the Family Violence Prevention and Services Act, which authorized a program to provide transitional assistance to victims of domestic violence and their families.

Advocates can learn more by visiting [www.bringingamericahome.org](http://www.bringingamericahome.org).

### New Legislation

On July 25, Representative Bill Pascrell (D-NJ) introduced H.R. 2961, which was referred to the House Financial Services Committee. The bill would provide mortgage assistance to firefighters.

### 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

### America's Newest Working Families

A study recently released by the Center for Housing Policy at the National Housing Conference finds that immigrants face higher housing costs and critical housing needs more often than native-born Americans.

The report, "America's Newest Working Families: Cost,

Crowding and Conditions for Immigrants," uses the 2001 American Housing Survey from the U.S. Census to look at housing patterns of immigrant working families. The report's findings are generally on a nationwide level, although there is some comparison of how groups are faring between regions (the Northeast, Midwest, South, and West). Additionally, the report mostly focuses on low and moderate income immigrant households that work the equivalent of a full-time job. Most analysis does not consider un- or under-employed immigrants.

The study finds that while immigrant working families with critical housing needs have similar family median incomes to native-born working families with such needs, they tend to settle in more expensive markets and are therefore more likely to pay higher housing prices and have incomes relatively lower to that of the local median. Additionally, these families are more likely to rent than their native-born counterparts, and are more likely to be couples with children.

Another major finding is that both immigrants who are owners and immigrants who are renters are considerably more likely to live in crowded housing conditions than their native-born counterparts. On a regional level, crowding for immigrant working families is most prevalent in the West, although the disparity in crowding between immigrant families and native-born families is greatest in the Midwest.

One especially interesting finding is that immigrants who have been in the country for a relatively long period of time continue to experience housing problems. For example, immigrant working families who arrived in the country between 1980 and 1989 currently have critical housing needs at a higher incidence than more recent immigrants.

The report gives an overview of the affordability issues immigrant working families face, and as such does not focus on the reasons behind these statistics. Because most figures used are national, regionally and locally specific issues are not covered. As such, the report is most useful to people interested in understanding general trends and drawing their own conclusions from the data.

The report is available from the National Housing Conference website at [www.nhc.org/nhchome.htm](http://www.nhc.org/nhchome.htm)

## Update from the Field *(cont'd from p.1)*

partners of the statewide coalition. The fight began in early June with a housing rally at the State House and meetings held with legislators shortly thereafter. It continued by educating members of the legislature and the public about the effect cuts to HMFA funds would have on the larger New Jersey community and its most vulnerable citizens.

“Affordable housing is a wise investment for New Jersey, especially in these challenging economic times. Construction and rehabilitation of housing creates good-paying jobs and generates tax revenues while revitalizing neighborhoods. When someone has a safe, decent place to live, they can do their homework and study. They can get to work on time and do their job well. They can take care of their family and contribute to their community,” said Diane Sterner, HCDNNJ Executive Director.

For more information, contact HCDNNJ at 609-393-3752 or visit [www.hcdnnj.org](http://www.hcdnnj.org)

## News & Events

### National Community Land Trust Conference 2003

The Institute for Community Economics will present the National Community Land Trust Conference 2003 in Syracuse, NY, from November 13-15. The event will include more than 75 technical workshops aimed to support and build capacity among CLTs; technical assistance consultations; and a Community Land Trust Network showcase of the best practices, exciting innovations, and creative thinking of the members of the network. The Community Land Trust Network Meeting will precede the conference on November 12. More information is available at [www.cltconference.org](http://www.cltconference.org), or by calling 413-746-8660

## Fact of the Week

### Crowding and Immigrants

Percent of immigrant working families in each group living in crowded conditions (more than one person per room):

From:	
Canada/Europe:	3.0%
Latin America (Except Mexico)	11.9%
Mexico	28.2%
Asia	9.0%
Other	7.4%

*Source: America's Newest Working Families: Cost, Crowding and Conditions for Immigrants, 2003; National Housing Conference, Center for Housing Policy.*

## NLIHC Staff

### NLIHC Interns

NLIHC is seeking legislative, field and communications interns for the fall semester who are passionate about social justice issues and who have excellent writing and interpersonal skills. Detailed job descriptions are available at [www.nlihc.org](http://www.nlihc.org).

Send a resume and cover letter to:  
Internship Coordinator, NLIHC  
1012 14th Street NW, Suite 610, Washington DC 20005  
or to [info@nlihc.org](mailto:info@nlihc.org). Questions? 202-662-1530 x228.



**National Low Income Housing Coalition**  
**Memo to Members**  
**August 1, 2003**  
**Vol. 8, No. 30**

**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

August 2003

## ARIZONA

### "Bittersweet Victory" in Group Home Conflict

Operators of a group home in Sedona will receive more than half a million dollars from the city in a settlement their attorney calls a "bittersweet victory." While the settlement gets the operators of the group home out of debt and out of a situation that was draining their resources, it also means they will abandon the site they were hoping to use for a group home for individuals recovering from substance abuse.

In late 2002, Recovery Alternatives, an organization that provides housing for people in recovery from substance abuse, acquired the home in Sedona's Kachina subdivision for a group of its clients. The organization obtained licensing and completed renovations of the property only to be told by the city that it had to get a "conditional use permit" before it could open. The process for getting a conditional use permit in Sedona involves notification of neighbors and public hearings. After angry neighbors in the hearings convinced the city to turn down the application for the permit, Recovery Alternatives sought legal help from the Arizona Center for Disability Law (ACDL), a federally funded nonprofit organization.

ACDL filed a discrimination complaint with the Arizona Attorney General's office on behalf of Recovery Alternatives in January 2003. Under federal and Arizona fair housing laws it is illegal to discriminate against people with disabilities, including those in recovery from addiction. In response to the complaint, the city reversed itself and re-classified the home, removing any obstacles to its opening. This, however, led the neighbors to threaten their own lawsuit against the city. The city then threatened to simply delay any action until a judge could sort out everyone's rights, said Diana Chen, an attorney with the ACDL. Meanwhile, Recovery Alternatives was paying interest on a line of credit it had taken out to operate the home and was running into problems with agencies that had given it grants to provide housing.

Even though Recovery Alternatives's decision to abandon the site might appear to be a victory for the neighbors, Ms. Chen says the settlement was in her clients' best interest under the circumstances. "It was just too poisonous a situation. Recov-

ery Alternatives decided their residents weren't going to feel free to even walk through the neighborhood." The organization will try to find a site in a neighboring city, but there is no guarantee it won't face obstacles elsewhere, Ms. Chen said.

Under the settlement, the city agreed to:

- permanently post a disclaimer in Sedona City Hall which states that discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability is prohibited;
- offer a Fair Housing training session to City staff working on housing issues;
- purchase complainant's property intended for the group home for a sum of \$382,000;
- pay a settlement amount of \$148,334, which included attorneys fees and costs to the Center; and
- convene a study session of its Planning Commission in consultation with the Center within 120 days of the agreement to consider revisions and amendments to the Land Development Code and other City codes regarding placement of group homes and the City's obligation and duties under the federal and state Fair Housing Acts and other laws applicable to people with disabilities.

The revisions to the city's codes will probably involve language that will remove barriers for housing with people with disabilities to locating in residential neighborhoods, said G. Eugene Neil, Sedona's assistant city attorney. "I think with the change of the ordinance we will be better able to address the applications when they come in," he said.

For more information: Diana Chen, Staff Attorney, Arizona Center for Disability Law. Telephone: 602-274-6287. E-mail: [Dchen@ACDL.COM](mailto:Dchen@ACDL.COM).

—Thanks to Tracey McCartney of the National Fair Housing Advocate Online for reporting on this story.

## NEW JERSEY

### State Enforces Ban on Section 8 Discrimination

The Attorney General of New Jersey put his money where his mouth is in late June, bringing lawsuits against two realty com-

panies and two apartment owners for refusing to rent or show available housing to low income renters with Section 8 vouchers, in violation of the state's Law Against Discrimination (LAD). According to the suits, all four defendants or their agents told "testers" who inquired about apartments, either in person or by phone, that Section 8 rental vouchers would not be accepted.

Attorney General Peter C. Harvey made it clear that he was sending a shot across the bow of the rental industry. "Last year, Governor McGreevey signed legislation amending the LAD and prohibiting discrimination in housing based on sources of lawful income, including Section 8 vouchers. In keeping with our statutory mandate, we will aggressively investigate and prosecute this form of discrimination wherever we find it," he said.

J. Frank Vespa-Papaleo, Civil Rights Director in the Attorney General's office, said the state has been proactive in its efforts to inform the real estate industry in New Jersey of its obligation to treat all prospective buyers and renters equally. In May, the agency published a legal memorandum reminding New Jersey real estate agents, brokers, and property owners that the law prohibits housing discrimination by landlords and others on the basis of a tenant's lawful source of income, including Section 8 rental assistance. The memorandum also informs prospective tenants of their rights under the LAD.

The complaints, filed on June 23, address alleged discrimination that took place during April, May and June of this year. According to the complaints, Division investigators and employees posing as apartment seekers contacted the managers or leasing agents of New Jersey apartment complexes in Clinton, East Orange and Paterson, and a realty company in Brigantine. The testers first asked about the availability of apartments and rental costs. After receiving information on apartments, or being invited to see available units, the testers then asked if the apartment complex or landlord accepted Section 8 rental vouchers, to which the managers or leasing agents allegedly responded that Section 8 funding was not accepted.

In each case, the state is seeking an order enjoining the defendants from refusing to rent apartments to Section 8 recipients, as well as a halt to any other discriminatory practices by ownership. In addition, the complaints ask the Court to: (1) Require training for the defendants in anti-discrimination laws; (2) Approve regular monitoring of defendants' rental practices and policies for a two-year period; (3) Require defendants to advertise in local papers that their apartments are available to those using Section 8 assistance; (4) Award compensatory damages to victims of alleged discrimination; and (5) Award punitive damages and attorneys fees.

For more information: J. Frank Vespa-Papaleo, Director, Civil Rights Division, New Jersey Attorney General's Office. Telephone: 609/292-4791.

## FLORIDA Caught Between a Rock and a Hard Place in Key West

Key West officials thought they were doing the right thing by planning ahead. With enforcement of a camping ban on wetlands property going into full swing on July 15, the city wanted to establish at least one "safe zone" for people experiencing homelessness. It narrowed its sights to 14 city parcels, and then to the one that seemed most advantageous: Little Hamaca Park. It sent out 840 letters of invitation to a July 16 public meeting to ensure that affected neighbors could express their opinions. Neighbors used the public forum to express concerns about a wide range of issues, including safety, property values, and the impact on sea life.

Assistant City Manager John Jones led the planning effort to establish a 25-bed emergency shelter before the wetlands ordinance took effect. Jones could not hide his frustration that the meeting turned into a verbal melee. "If you're looking for one human family," he said, referring to the city's motto, "don't go over in that neighborhood. It was pathetic as far as compassion goes."

After the public forum, Rev. Stephen Braddock, director of the Florida Keys Outreach Coalition, an organization that provides resources and opportunities to people who are homeless, said that he was saddened by the lack of compassion and the hostility displayed by the residents of the Little Hamaca area. "We've gone from NIMBY to NOMI, not on my island." He said a suggestion by City Commissioner Ed Scales to establish a safe zone well off the island and away from any businesses or residents would make access to much-needed services, and even jobs, impossible for people trying to get back on their feet. "When a society isolates a group of people because they find them distasteful, that's the kind of thing that leads to leper colonies and concentration camps," he said. "It makes no sense at all."

Key West Mayor Jimmy Weekley said that the wetlands ordinance is being enforced. "We're not telling them they can't sleep other places," he told the local newspaper. "There are the streets, the beaches - although we have a curfew on the beaches. Under the bridges." Mr. Jones, the assistant city manager, summed up the city's situation: "We knew we had a problem," he said. "We wanted it to be a positive meeting. This is only one of 14 suggestions, but this was the best alternative. It will not be in that area. If we have 14 different places, then we'll have 14 public meetings and maybe when I'm 90 we'll have a place to put the homeless."

For more information: John Jones, Assistant City Manager, City of Key West. Telephone: 305/292-8234; Rev. Stephen Braddock, Executive Director, Florida Keys Outreach Coalition. Telephone: 305/293-0641.

## SHORT ITEMS

### Small California City Approves Mental Health Rehabilitation Center

Advised by its lawyers that it had no grounds for opposition, and in the face of great demand for its services, the city of Pleasant Hill, CA, reluctantly approved an 80-bed mental health rehabilitation center. Crestwood Behavioral Health, Inc. will open the center—described in the local press as the “largest unlocked mental health rehabilitation center in the state”—on the site of a former convalescent hospital. Convinced that the Americans with Disabilities Act (ADA) and a recent ADA lawsuit involving the neighboring city of Antioch gave Pleasant Hill little choice in the matter, Mayor Susan Angeli reluctantly voted to approve the center. “I am not happy with this situation at all,” she said. “I don’t want this facility in this city, but what can I do?” Neighbors in the Poet’s Corner neighborhood, where the center would be located, are equally unsettled. “It’s unreal to me—I can’t believe the largest unlocked mental health facility in California is going to be two blocks from my house,” said Rachel Elandt, who has lived in Poet’s Corner for 11 years but said she may consider moving. “I’m going to wait and see what happens, but my comfort level now is zero.” The center’s supporters point out that people with mental health problems must now seek treatment outside the county and away from their families, costing the county as much as \$6 million a year. For more information: Jay Mahler, Coordinator, Office for Consumer Empowerment, Contra Costa Mental Health. Telephone: 925/646-5783.

### Victory in Lexington, KY

Chransye, Inc. is an organization that operates residential houses throughout Kentucky that serve as places for those with mental retardation and developmental disabilities to integrate into the community. At each of the houses, the organization provides supports for community living in the form of case management, community rehabilitation, and staff supervision. The organization purchased a home in the city of Berea, KY, and began operations in April of 2002. Shortly after two residents moved into the property, neighbors began complaining,

and Chransye, Inc. was eventually cited for violating the local zoning code, which required that only one family reside in each house in the district where the property was located. Chransye, Inc. contacted the Lexington Fair Housing Council, which made a formal request for a reasonable accommodation on the basis that the residents were a protected group under the federal and state Fair Housing Acts. Chransye, Inc. then applied for a conditional use permit and a hearing was scheduled for June 25. On the day of the hearing, officials from Berea informed the Lexington Fair Housing Council that they had received an opinion letter from the City Attorney informing them that Chransye, Inc. should not have to apply for the permit under the applicable laws and that the organization could continue to operate as planned.

For more information: Steve Florian, Legal Staff, Lexington Fair Housing Council. Telephone: 859/971-8067. E-mail: [steveflorian@juno.com](mailto:steveflorian@juno.com)

## RESOURCES YOU CAN USE

1. The Greater Baton Rouge Business Report has published a very useful news article on the ways in which NIMBYism stunts the development of new housing and creates sprawl and environmental degradation. Authored by J.R. Ball, the article is titled “Not in My Backyard,” and is available on-line, at [http://www.businessreport.com/pub/21\\_23/planning/35831.html](http://www.businessreport.com/pub/21_23/planning/35831.html)
2. The Multifamily Division of the National Association of Home Builders has produced a 7-minute video that refutes many of the myths cited by those who oppose rental apartment housing in their neighborhoods. NAHB suggests the report can be used to open the conversation between developers and neighborhood groups or local elected officials who might otherwise make erroneous assumptions. The video is available to members and non-members of NAHB for \$20. More information and an order form are available at [www.nahb.org/generic.aspx?sectionID'276&genericContentID'5771](http://www.nahb.org/generic.aspx?sectionID'276&genericContentID'5771). Contact: Ann Marie Moriarty, Director, Industry Relations/Communications, NAHB Multifamily. Telephone: 202/266-8350. E-mail: [amoriarty@nahb.com](mailto:amoriarty@nahb.com).

**HUD FY2004 Budget Chart for Selected Programs**

Dollars in Millions

HUD Program (set-asides indented)	FY00 Enacted	FY01 Enacted	FY02 Request	FY02 Enacted	FY03 Request	FY03 Enacted	FY04 Request	FY04 House
<b>Housing Certificate Fund<sup>1</sup></b>	\$11,376	\$13,941	\$15,717	\$15,641 <sup>2</sup>	\$17,527 <sup>3</sup>	\$17,112 <sup>4</sup>	\$0 <sup>5</sup>	\$18,581 <sup>6</sup>
<b>Housing Assistance for Needy Families</b>	--	--	--	--	--	--	13,607 <sup>7</sup>	0 <sup>8</sup>
<b>Contract Renewals</b>	10,640	12,972	15,108	15,085 <sup>9</sup>	16,812 <sup>10</sup>	16,633 <sup>11</sup>	13,047 <sup>12</sup>	18,095 <sup>13</sup>
<b>New Section 8 Vouchers</b>	346	453	197	144 <sup>14</sup>	204 <sup>15</sup>	0 <sup>16</sup>	36 <sup>17</sup>	0 <sup>16</sup>
<b>Project-Based Rental Assistance</b>	--	--	--	--	--	--	4,823 <sup>18</sup>	0 <sup>19</sup>
<b>Contract Administration</b>	194	192	196	196	196	195	100	100
<b>Public Housing Capital Fund</b>	2,900	3,000	2,293	2,843 <sup>20</sup>	2,426 <sup>21</sup>	2,712 <sup>22</sup>	2,641 <sup>23</sup>	2,712 <sup>24</sup>
<b>Resident Opp'ty &amp; Self Sufficiency</b>	55	55	55	55	55 <sup>25</sup>	55 <sup>26</sup>	55 <sup>27</sup>	55 <sup>28</sup>
<b>Public Housing Operating Fund</b>	3,138	3,242	3,385	3,495	3,530	3,577 <sup>29</sup>	3,574 <sup>30</sup>	3,600
<b>Drug Elimination Grants</b>	310	310	0	0 <sup>31</sup>	0	0	0	0
<b>HOPE VI</b>	575	575	574	574	574 <sup>32</sup>	570 <sup>33</sup>	0 <sup>34</sup>	50 <sup>35</sup>
<b>Native American Housing Block Grants</b>	620	650	649	649	647	645	647	661
<b>Native Hawaiian Housing Block Grant</b>	--	--	--	--	10 <sup>36</sup>	10 <sup>37</sup>	10 <sup>36</sup>	10 <sup>37</sup>
<b>Elderly Housing (Section 202)</b>	710	779	783	783	774 <sup>38</sup>	778 <sup>39</sup>	774 <sup>40</sup>	773 <sup>41</sup>
<b>Disabled Housing (Section 811)</b>	201	217	218	241 <sup>42</sup>	250 <sup>43</sup>	249 <sup>44</sup>	251 <sup>44</sup>	251 <sup>44</sup>
<b>Rental Housing Assistance</b>	--	--	--	--	--	0 <sup>45</sup>	0 <sup>46</sup>	0 <sup>46</sup>
<b>HOME Investment Partnership Prog.</b>	1,600	1,800	1,796	1,846 <sup>47</sup>	2,084	1,987	2,197 <sup>48</sup>	1,939
<b>Housing Counseling Assistance</b>	15	20	20	20	35 <sup>49</sup>	40 <sup>50</sup>	45 <sup>49</sup>	40
<b>Downpayment Assistance</b>	--	--	200	50 <sup>51</sup>	200	75	200	125
<b>Community Development Block Grants</b>	4,800	5,057	4,802	5,000 <sup>52</sup>	4,732 <sup>53</sup>	4,905 <sup>54</sup>	4,732 <sup>55</sup>	4,959 <sup>56</sup>
<b>Self-Help Homeownership Opp'ty</b>	20	20	22	22	65	25	65	28
<b>Youthbuild</b>	42.5	60	60	65	65	60	65	65
<b>Economic Development Initiative</b>	256	292	0	294	0	259	0	138
<b>Homeless Assistance Grants</b>	1,020	1,025	1,023 <sup>57</sup>	1,123 <sup>58</sup>	1,130 <sup>59</sup>	1,217 <sup>60</sup>	1,325 <sup>61</sup>	1,242 <sup>62</sup>
<b>Shelter Plus Care Renewals</b>	0	100	100	0	0	0	0	0
<b>Samaritan Housing</b>	--	--	--	--	--	--	50 <sup>63</sup>	0
<b>Emergency Food and Shelter (FEMA)<sup>64</sup></b>	110	140	140	140	153 <sup>65</sup>	152 <sup>66</sup>	153 <sup>65</sup>	153 <sup>66</sup>
<b>Housing for Persons with AIDS</b>	232	258	277	277	292	290	297	302
<b>Rural Housing and Economic Dev't</b>	25	25	0	25	0	25	0	25
<b>Brownfields Redevelopment</b>	25	25	25	25	25	25	0	25
<b>Fair Housing Assistance Program</b>	20	22	23	26	26	26	30	26
<b>Fair Housing Initiative Program</b>	24	24	23	20	20	20	20	20
<b>Lead-Based Paint Hazard Reduction</b>	80	100	110	110	126	175 <sup>67</sup>	136	130
<b>Salaries and Expenses</b>	1,005	1,070	1,097	1,097	1,070	1,083	1,112	1,122
<b>TOTAL (Discretionary)<sup>68</sup></b>	\$26,496	\$30,309	\$30,404	\$30,149 <sup>69</sup>	\$31,422	\$31,009 <sup>70</sup>	\$31,300	\$31,831

<sup>1</sup> Includes \$4.2 billion in advance appropriations in all cases.

<sup>2</sup> Represents actual spending of \$16.3 billion, using \$640 million from the reduction of Section 8 reserves and provides for \$1.2 billion in rescissions.

<sup>3</sup> Provides for \$1.1 billion in rescissions.

<sup>4</sup> Provides for \$1.6 billion in rescissions.

<sup>5</sup> Tenant-based and project-based housing assistance are no longer funded through Housing Certificate Fund but separated into a tenant-based voucher program called Housing Assistance for Needy Families (HANF) and Project-Based Rental Assistance. HANF will be block granted to the states in FY05.

<sup>6</sup> Includes \$1.372 in rescissions and \$150 million transferred from the Working Capital Fund by amendment adopted in House.

<sup>7</sup> Includes unobligated balances transferred from the Housing Certificate Fund.

<sup>8</sup> Does not split tenant-based and project-based accounts as requested by HUD.

<sup>9</sup> Represents actual spending of \$15.7 billion, using \$640 million from the reduction of Section 8 reserves from two months to one month.

<sup>10</sup> Does not include \$260 million in tenant protection vouchers and \$52 million for Family Self-Sufficiency coordinators.

<sup>11</sup> Includes \$15.3 billion for renewals plus a central fund of \$392 billion and \$1.08 billion in administrative fees (but does not include \$48 million for FSS coordinators or \$234 million in tenant protection vouchers). Directs HUD to use central fund to replenish public housing agency (PHA) reserve accounts when PHAs expend one-half of their reserves; directs HUD to provide quarterly reports on project-based opt-outs, prepayments and repair needs.

<sup>12</sup> Includes \$11.4 billion for HANF tenant-based renewals, \$1.2 billion for administrative fees, and \$473 million of \$609 million central fund (from which \$36 million for incremental vouchers and \$100 million for capacity building funds for states are subtracted). Does not include project-based renewals, \$252 in tenant protection vouchers, \$72 million for Family Self-Sufficiency (FSS) coordinators, or \$100 million to replenish PHA reserves used in FY03.

<sup>13</sup> Includes \$11.575 billion plus \$150 million added by amendment for voucher renewals, \$568.5 million in Central Reserve Fund (minus \$100 million to replenish reserves used in FY03), \$1.209 billion for administrative fees (minus \$20 million for tenant protection voucher administration), and \$4.720 billion for project-based renewals. Does not include \$206 million in tenant protection vouchers or \$48 million for FSS coordinators.

<sup>14</sup> Funds 26,000 new vouchers, with 18,000 fair share vouchers for PHAs with high utilization and 8,000 for certain non-elderly disabled families.

<sup>15</sup> Funds Section 8 downpayment assistance (\$15 million) and approximately 33,400 new vouchers, including fair share and others.

- <sup>16</sup> Directs HUD to provide incremental vouchers previously issued for non-elderly disabled families to be reissued to such families.
- <sup>17</sup> Funds 5,500 vouchers for certain non-elderly disabled families; additional vouchers to be distributed to states may be funded by the central fund if available, subject to broad statutory and regulatory waiver authority.
- <sup>18</sup> Funds renewal of project-based housing assistance contracts; includes \$300 million in carryover funds rescinded and reappropriated.
- <sup>19</sup> Assumes \$4.720 billion for renewal of project-based contracts, but not in a separate account, as requested by HUD.
- <sup>20</sup> Includes \$15 million for the Neighborhood Networks Initiative for PHAs to establish computer centers in and around public housing and \$10 million in remediation funds for troubled PHAs.
- <sup>21</sup> Represents an overall decrease in unrestricted capital funds of \$441 million due to increased set-asides. HUD proposes conversion of public housing units to project-based voucher assistance to facilitate private financing for capital needs.
- <sup>22</sup> Sets aside \$447 million for capital and management activities for PHAs that have obligated all assistance for FY98 through FY01; directs HUD to provide a report on PHAs that have used private financing to meet capital needs by August 7, 2003.
- <sup>23</sup> Includes proposal to meet public housing capital needs through conversion to project-based voucher assistance to support private financing, combined with up to \$131 million in loan guarantees. Includes \$30 million for demolition, revitalization, replacement housing and tenant-based assistance.
- <sup>24</sup> Does not fund public housing reinvestment initiative proposal.
- <sup>25</sup> In FY01 and FY02, ROSS was a set-aside within CDBG.
- <sup>26</sup> Follows Administration's request to make this a set-aside within the Public Housing Capital Fund rather than CDBG.
- <sup>27</sup> Set-asides of \$40 million in Public Housing Capital Fund and \$15 million in Public Housing Operating Fund.
- <sup>28</sup> Set-aside within Public Housing Capital Fund only.
- <sup>29</sup> Includes \$10 million for anti-drug programs in public, Indian and federally-assisted low income housing administered by the Department of Justice; authorizes the use of up to \$250 million for FY02 operating cost needs, but prohibits use of funds from FY04 or later for FY03 public housing operating costs and instructs HUD to report by May 15, 2003, on actions taken to address the practice of using current year funds for prior year costs.
- <sup>30</sup> Includes \$15 million for ROSS.
- <sup>31</sup> The conference report noted that PHAs are allowed to use their operating and capital funds for anti-crime and anti-drug efforts.
- <sup>32</sup> Includes a set-aside of \$50 million for grants for capital costs associated with conversion from public housing to project-based voucher assistance.
- <sup>33</sup> Reauthorizes HOPE VI through the end of FY04.
- <sup>34</sup> No funding requested because HUD claims enough funding has been committed to meet 1992 demolition goals, with significant funds in pipeline.
- <sup>35</sup> Includes \$5 million for technical assistance and contract expertise (\$4.5 million added during House floor debate to \$500,000 provided by Committee).
- <sup>36</sup> Authorized under the Hawaiian Homelands Homeownership Act of 2000, amending the Native American Housing and Self-Determination Act of 1996 and allocating funds for affordable housing for eligible low income Native Hawaiian families; to be funded under its own account.
- <sup>37</sup> To be funded under CDBG rather than under its own account as the Administration requested.
- <sup>38</sup> Includes \$44 million, plus up to \$9 million in recaptured funds, for service coordinators and \$30 million for conversion to assisted living.
- <sup>39</sup> Provides \$50 million for service coordinators, \$30 million for conversion to assisted living and \$30 million to facilitate Section 202 projects.
- <sup>40</sup> Provides \$53 million for service coordinators and \$30 million for conversion to assisted living.
- <sup>41</sup> Provides \$50 million for service coordinators and \$25 million for conversion to assisted living.
- <sup>42</sup> Includes \$23 million for the renewal of tenant-based assistance, rather than renewing under the Housing Certificate Fund.
- <sup>43</sup> The Administration has proposed that up to \$62.5 million can be earmarked for tenant-based assistance.
- <sup>44</sup> The Secretary may designate up to 25% for tenant-based assistance.
- <sup>45</sup> Recaptured Section 236 budget authority would be rescinded, despite Senate proposal to make up to \$100 million available for rehabilitation grants.
- <sup>46</sup> \$303 million in recaptured Section 236 budget authority would be rescinded.
- <sup>47</sup> Includes \$50 million set-aside for the Downpayment Assistance Initiative, subject to authorization; if there is no authorization of the program by June 30, 2002, then the funds can be used for any purpose under the HOME program.
- <sup>48</sup> Includes \$25 million for lead hazard reduction demonstration program.
- <sup>49</sup> This program has been a set-aside in HOME; the Administration proposes to make it a separate program.
- <sup>50</sup> Remains a set-aside within HOME.
- <sup>51</sup> Appropriation subject to authorization; there was no authorization June 30, 2002 and the funds were rescinded in the FY02 Supplemental.
- <sup>52</sup> Includes \$4.3 billion in CDBG formula block grants and \$659 million in set-asides; makes funds available for three years, but requires a report from HUD on obligating and expending CDBG funds, as well as recommendations on how to accelerate this process, by April 1, 2002.
- <sup>53</sup> Includes \$4.4 billion in CDBG formula block grants. Includes proposal to reduce by 50% the formula funds for entitlement communities with per capita income at least twice the national average, with the savings applied to the \$16 million Colonias Gateway Initiative.
- <sup>54</sup> Includes \$4.4 billion for formula grants; does not change the CDBG formula or fund the Colonias Gateway Initiative.
- <sup>55</sup> Includes \$4.4 billion for formula grants and \$16 million for the Colonias Gateway Initiative, among other set-asides.
- <sup>56</sup> Includes \$4.5 billion for formula grants and other set-asides, but does not fund the Colonias Gateway Initiative.
- <sup>57</sup> Maintains the requirement that 30% of funds be used for permanent housing. Shelter Plus Care renewals are funded separately.
- <sup>58</sup> Includes Shelter Plus Care renewals, maintains 30% requirement for permanent housing, and provides \$500,000 for Interagency Council on Homeless.
- <sup>59</sup> Includes Shelter Plus Care renewals, maintains 30% requirement for permanent housing and provides \$1 million for Interagency Council on Homeless.
- <sup>60</sup> Includes Shelter Plus Care renewals, maintains 30% requirement for permanent housing, and funds Interagency Council on Homeless as separate agency at \$1.5 million. Also funds \$10 million two-year demonstration of programs and best practices.
- <sup>61</sup> Includes \$194 million for Shelter Plus Care renewals, maintains 30% requirement for permanent housing and provides \$1.5 million for Interagency Council on Homeless. The Administration will submit legislation to consolidate competitive McKinney-Vento programs.
- <sup>62</sup> Includes unspecified amount for Shelter Plus Care renewals, maintains 30% requirement for permanent housing, and funds Interagency Council on the Homeless as a separate agency at \$1.5 million.
- <sup>63</sup> Proposed competitive grant program in a broader interagency effort to combat long-term homelessness. Administration will submit legislation.
- <sup>64</sup> EFSP is currently part of FEMA's budget.
- <sup>65</sup> This program would be transferred from FEMA to HUD.
- <sup>66</sup> Rejects Administration's proposal to move EFSP to HUD from FEMA.
- <sup>67</sup> Includes \$50 million set-aside for an urban lead hazard reduction demonstration program.
- <sup>68</sup> This is overall total for HUD's discretionary spending. As the chart shows selected programs, does not include all of HUD's programs and other expenses, and may include programs *proposed* for HUD's appropriation, the numbers above will *not* total the amounts listed at this line. In addition, there is inconsistency from year to year within HUD's own budget documents as to total amount requested and enacted, as HUD makes retroactive adjustments.
- <sup>69</sup> This total does not include \$2 billion in emergency supplemental funds in connection with recovery from September 11, 2001 terrorist attacks.
- <sup>70</sup> Reflects 0.65% across-the-board cut.