

MEMO OF MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

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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 or call 202-662-1530 x227.

Capitol Hill

Recess Activities

While Congress is on recess this month, NLIHC members are advocating on a number of housing issues when meeting with their Senators and Representative in their districts. Expanded support for the National Housing Trust Fund is a top priority. Advocates are especially focused on their Senators, as the VA-HUD appropriations bill will be marked up in the Senate after the recess. Senators are being asked to support additional funding to the Section 8 program to fully fund all vouchers in use, as well as an increase in the housing funds overall. Senators are also being urged to oppose to the “superwaiver” proposal, which would give authority to governors to dramatically change funding and requirements for public housing and homelessness programs. The House has already passed a superwaiver proposal as part of their version of TANF legislation, and there is a strong possibility that a similar superwaiver proposal will surface in the Senate as an amendment during the mark-up of TANF legislation this fall.

More information, including calls to action that have been sent to advocates, is available at www.nlihc.org.

New Legislation

On July 31, Senator Tim Johnson (D-SD) introduced S. 1542. The bill would amend the Internal Revenue Code of 1986 to enhance the economic opportunities of Native Americans. Specifically, there are provisions in the bill that would offer tax credits to develop tribal housing. The bill has been referred to the Senate Finance Committee.

S. 1508 was introduced by Senator Chuck Hagel (R- NE) on July 31. The bill would address regulation of secondary mortgage market enterprises (i.e. subprime lenders). The bill has been referred to the Senate Banking, Housing, and Urban Affairs Committee.

Bills at a Glance

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

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 Santa Barbara Residents Reap Benefits of Garden Program

GreenNet, a joint program of the Housing Authority of the City of Santa Barbara (HACSB) and the Santa Barbara County 4-H Cooperative Extension program, allows public housing residents to learn gardening, computer skills, and business concepts while it promotes stronger community ties.

Under the program, families living in public housing create gardens after deciding what to grow based on their own market research. These gardens are planted on HACSB land and the land of local property owners who donate space. The products are sold for landscaping use to HACSB and the City of Santa Barbara. The City has made particular use of GreenNet plants in its urban creeks restoration project.

The intangible social benefits of the after-school and summer program complement its entrepreneurial success, organizers say.

“It’s really about building human capital,” said Michael Marzolla, UCCE youth development adviser. Participation in GreenNet builds stronger family ties, as parents and children work to exchange expertise in gardening and

(See Update from the Field on p. 2)



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Update from the Field

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computer skills. In addition, the program fosters personal responsibility and a sense of belonging within the community. In its five years of existence, more than 550 youth and 350 families have benefited from GreenNet. More than 100 teens have gone on to college as a result of participation in the program, Mr. Marzolla said.

The program has other tangible benefits as well. HACSB's property damage costs from vandalism have fallen from \$60,000 to under \$5,000 in recent years – a development HACSB credits to GreenNet.

“We as an agency believe that the socio-economic advancement of the families we serve—and that we accomplish through a project like GreenNet—is just as important as building additional affordable housing for them,” said Rob Pearson, Executive Director of HACSB. “It’s important that the federal government recognize initiatives like GreenNet and fund housing with services in addressing the shelter needs of low income Americans.”

The Administration

Advocates Influence IRS

After hearing from advocates, the IRS has made important changes to a proposed pilot program to “pre-certify” those that claim the Earned Income Tax Credit (EITC) on their 2004 taxes.

At the start of the summer, the IRS announced an effort to “improve” the EITC program, a refundable tax credit program for low income taxpayers. The IRS decided to seek changes because a General Accounting Office report identified the EITC program as a “high risk” program because of what was determined to be a high rate of erroneous payments. To address this, the IRS proposed requiring filers who wished to claim the EITC to document their eligibility for the program through a pre-certification process. For example, an EITC filer claiming children would have to submit a signed affidavit to prove that a child actually lived in the household for at least six months of the relevant tax year.

The IRS originally planned to begin a pre-certification pilot program of 45,000 EITC filers across the country who would receive pre-certification notices in August and forms to be returned to the IRS by December. The IRS planned to evaluate the performance of the pilot program and make changes to the EITC program based on that assessment.

There was a 30-day comment period on this plan that ended in July, which advocates, including NLIHC, used to send comments to the IRS recommending changes to the pilot program. As a result, the IRS has reduced the number of people who are to participate to 25,000, and the pilot program will now coincide with the 2004 tax season. Advocates had asserted that starting the pilot in August, as originally planned, was unfair to filers who rely on tax preparation centers, which are not open all year. Changing the starting date will allow EITC filers to receive assistance from tax preparation centers in filling out the pre-certification forms.

Even with the IRS adopting some of the recommended changes, however, advocates still have concerns about the pilot program. A main concern is whether those selected in the pilot program will experience delays in receiving their EITC refund. The IRS reports that approximately 19 million taxpayers claimed more than \$32 billion in EITC for the 2002 tax year.

Housing not a Subject for White House E-mail

In mid-July, the White House changed the way citizens can send emails to the President from the White House web page. Though the White House claims that it made changes to make response times faster and to make it easier for citizens to voice their opinions, according to CNN.com, it has actually become more difficult to e-mail the President.

The new system is more rigid. Rather than simply allowing people to type a message to the President, it requires writers to choose from a list of pre-selected subjects and to identify whether their message supports or opposes the President’s initiatives. For the subject of their message, users can choose from topics such as economy, foreign policy, and prayer in schools, but not housing. Especially given that one of the administration’s flagship initiatives is homeownership, it is regrettable that the American public is not offered the opportunity to send an e-mail to the President specifically referencing homeownership or any other housing topic in the subject line.

The White House website does urge people unable or unwilling to use the web mail system to continue to fax or mail letters to the President, and a user can still send a traditional email, though she will receive an automated reply and there is no guarantee that a message sent this way will be read.

Housing in the Election

NLIHC Housing Voter Education Project Announced

In late July, NLIHC announced in a letter to its members that it is launching an effort to make affordable housing a public priority again by raising housing as an election issue.

“While we all can and will continue to educate federal officials in both the Administration and the Congress about the need for renewed federal investment in affordable housing, moving affordable housing higher on the national agenda requires that people running for elected office understand the importance of housing to the voters,” NLIHC President Sheila Crowley and NLIHC Board Chair Bill Faith wrote in a letter to members on July 29.

In recent elections, candidates—particularly federal candidates—have rarely focused on affordable housing. One of the reasons for this is that a smaller proportion of low income people register to vote compared to those with higher incomes. More importantly, even among those low income who do register to vote, few make it to the polls on election day. According to U.S. Census Bureau data on voter registration and participation for 2000, 82% of people with annual incomes above \$75,000 are registered to vote, while 75% of these registrants actually voted. Comparatively, only 57% of people who earn between \$5,000 and \$9,999 annually are registered to vote, and only 41% of these people went to the polls. Further, the participation rate of homeowners in 2000 was twice that of renters (84.7%-43.8%).

If affordable housing is to become part of the national political debate, it is essential that low income people become more informed about the impact of federal policy decisions on their well-being; that they become more engaged in the housing policy debate; and ultimately, that they vote in far greater numbers in 2004 than they have in the past, Ms. Crowley and Mr. Faith wrote to NLIHC members.

The letter invited NLIHC members to join a campaign to promote civic engagement among their members, which would involve not only registering, educating and mobilizing low income citizens, but also educating the candidates running for federal offices about local housing problems. Organizations interested in participating should contact Katie Fisher at 202-662-1530 x222 or katie@nlihc.org.

National Housing Trust Fund

Endorsement List Passes 4,400

The list of endorsers for the National Housing Trust Fund now includes more than 4,400 elected officials, local governments, religious leaders, and national, state, and local organizations. Endorsements continue to pour in from the state of Utah, where housing activists, led by the Crossroads Urban Center and the Coalition for Religious Communities, have submitted more than 200 endorsements since the beginning of summer.



Endorsers continue to work within their districts during the Congressional recess to promote the National Housing Trust Fund. In August, more than a dozen in-district meetings are planned. More information is available at www.nhtf.org.

Advocates are also looking forward to a trip to Illinois scheduled for August 11-14 with stops in Marion, Carbondale, Peoria, DuPage County, McHenry County, and Kane County. The trip is a partnership between the Statewide Housing Action Coalition (SHAC), Chicago Rehab Network, and the National Low Income Housing Coalition. The trip will highlight both the National Housing Trust Fund and local housing issues in a schedule that includes legislative breakfasts, editorial board meetings, affordable housing picnics, and meetings with key elected officials.

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Resources

A “Quiet Crisis” in Indian Country Housing

A new study released by the U.S. Commission on Civil Rights analyzing the adequacy of existing federal funding and the unmet needs of Native Americans in Indian Country finds that the federal housing programs serving this population are not only severely underfunded, but also inadequate.

Housing is a serious concern in Indian Country. About 40% of on-reservation housing is considered inadequate, 20% of reservation homes lack complete plumbing, and 30% of reservation households live in crowded conditions. The problems in providing new housing and preserving existing housing are especially acute: limited access to credit, land ownership restrictions, geographic isolation and harsh environmental conditions all make adequate housing provision difficult.

The report, “A Quiet Crisis: Federal Funding and Unmet Needs in Indian Country,” details the ways in which federal programs often do not translate well when applied to Indian Country: The housing voucher program is problematic because reservation lands lack real estate markets, obtaining mortgages on reservations is difficult because federal trust land cannot be used as collateral, and private housing developers have problems developing markets on lands held in trust. To combat these issues, HUD primarily uses three programs to support housing construction and promote home ownership: the Native American Housing Block Grant, the Indian Home Loan Guarantee Program, and the Indian Community Development Block Grant. However, funding for these programs is inadequate. Even though funding for Native American programs at HUD increased 8.8% since 1998, when adjusted for inflation there was a real decline in funding. The report focuses on issues in Indian Country, though it acknowledges that a large and growing share of Native Americans are living in areas off reservations.

The report’s section on housing is quite relevant for those seeking information on historical trends and current issues surrounding Native Americans and housing. In general, the report looks at funding by six government agencies: the Departments of the Interior, Health and Human Services, HUD, Justice, Education, and Agriculture. The report concludes that inter-agency cooperation and adequate funding are crucial in order to properly address the problems of Indian Country.

The Commission’s report can be downloaded from www.usccr.gov/pubs/na0703/na0731.pdf.

Rural Perspectives on Mobile Homes

The current issue of *Rural Voices* magazine, recently released by the Housing Assistance Council, offers a range of perspectives on manufactured homes. Particularly known as mobile homes, manufactured homes are seen by many as an important source of decent, affordable housing. For others, the homes are money traps provided by an industry that preys on low income residents. The magazine examines a number of topics, including the affordability of manufactured homes, the role of planners in helping to integrate manufactured homes into communities, the financing system, homes for older Americans, and the experiences of one Appalachian community with manufactured housing. According to HAC Executive Director and NLIHC board member Moises Loza, manufactured housing is a complex subject involving “not only the structures themselves, but also the land tenancy, housing finance, changing technologies, consumer education, economic impact, and community perceptions.”

Rural Voices is available on HAC’s website, www.ruralhome.org. Mail subscriptions are also available. To subscribe, contact Luz Rosas at 202-842-8600 or luz@ruralhome.org.

USDA

Rural Unit Prepayment Continues

This year about as many affordable rental units in rural areas will be lost to prepayment as are produced by USDA’s Rural Housing Service, new data show. RHS data obtained by the Housing Assistance Council show that through the end of July, with two months remaining in FY03, RHS has approved prepayment of mortgages on 121 projects containing 1,486 units. When such prepayment occurs, owners are no longer required to meet affordability requirements and have the option of converting the units to market-rate.

In 2002, RHS’s Section 515 Rural Rental Housing program produced 1,757 units, while 1,621 mortgages were prepaid. The program has about the same amount of funding this year.

Tenants in Section 515 units have an average income of \$9,365. Average income for tenants living in Section 515 units and also receiving rental assistance is only \$7,311. More than half the units prepaid so far in 2003 housed tenants who also receive rental assistance: 677 were occupied by Section 8 voucher holders and 266 by tenants with USDA rental assistance. Not all prepaid units are converted to market-rate rentals, but there is no way to know how many of the tenants can still afford their units or can find others in the area. Many rural areas have a serious shortage of available rentals.

Thanks to the Housing Assistance Council for this article.

HUD

HUD Halts Processing of PHA Utility Adjustments

On August 5, HUD's Office of Public and Indian Housing released PIH 2003-18, providing additional information needed to complete public housing authorities' (PHA) FY03 subsidy eligibility calculations. It includes updated instructions to historical revision and adjustment policies and an update of the proration factor.

The notice also includes instructions to HUD field offices to not process any utility adjustments until further notice. Large PHAs are still required to submit utility adjustments, but they are not being processed at this time. The notice states that HUD will review future funding conditions to determine when to start processing utility adjustments again. Some PHAs are concerned about this change, as it means that they will have less funding for operating costs. In the past, PHAs would estimate utility costs in the beginning of the year and if they incurred more expenses than estimated, HUD would reimburse them when they filed their utility adjustments.

The notice also states that PHAs will receive a 93% proration of the operating subsidy, excluding adjustments. The proration percentage may be revised after all 2003 budgets have been processed. The operating subsidy calculations are to be completed by September 30. All PHAs must submit any revisions to their operating budget to HUD by August 15, 2003.

All notices are available at www.hudclips.org.

News & Events

Rail-Volution Conference 2003

The annual Rail-Volution conference, whose primary mission is to help build livable communities with transit, will be held September 11-14 in Atlanta. The conference will feature more 50 workshops covering a wide range of topics, including equity issues such as affordable housing. For more information about Rail-Volution 2003, visit www.railvolution.com, or call Gordon Kenna at 404-262-3140 or Lisa Godwin at 503-282-2913.

NLIHC Staff

NLIHC Interns

NLIHC is seeking research 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.

Send a resume and cover letter to:

Internship Coordinator, NLIHC

1012 14th Street NW, Suite 610, Washington DC 20005
or to info@nlihc.org. Questions? 202-662-1530 x228.

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 e-mail membership@nlihc.org or call 202-662-1530 to re-

Fact of the Week

Mobile Homes in the United States

Number of Owner-Occupied Manufactured Housing Units by Year Built and Location

	Pre-1976	1976-1985	1986-1995	1995-2001	Total
Central City	204,497	39,657	17,811	42,375	304,340
Suburb	1,372,077	710,867	527,396	553,855	3,164,195
Nonmetro	1,275,245	800,563	686,384	675,180	3,437,372
Total	2,851,819	1,551,087	1,231,591	1,271,410	6,905,907

Source: Housing Assistance Council from the 2001 American Housing Survey.



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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.