

MEMO 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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Out Of Reach

America's Housing Wage Climbs: Coalition Releases Out of Reach 2003

NLIHC's annual *Out of Reach* report, which examines the gap between what people earn and what housing costs in every jurisdiction in the country, was released at a September 8 press conference at the National Press Club and in corresponding events in states and communities across the country. NLIHC President Sheila Crowley reported the main finding of the study—that the national median two-bedroom Housing Wage for 2003 is \$15.21. The Housing Wage represents what a person working full time needs to earn per hour to be able to afford modest rental housing in his or her community. This year's Housing Wage is 3.74% higher than it was the year before, and 37% higher than in 1999.

In the 2003 report, the two-bedroom Housing Wage ranges from \$35.02 in Santa Clara County, California, to \$7.12 in parts of Alabama, and \$5.94 in portions of Puerto Rico, though in Puerto Rico this is greater than the median hourly wage. Slightly more than 25% of the nation's 3,208 counties have Housing Wages more than twice the prevailing minimum wage. Of those, 125 have a Housing Wage between three and four times the minimum wage, and 38 more have Housing Wages between four and five times the minimum wage. In Santa Clara, San Mateo, Marin, and San Francisco counties in California, the Housing Wage is more than five times higher than the state's prevailing minimum wage, which itself is \$1.50

(See **Out of Reach** on p. 4)

Capitol Hill

Voucher Strategy Takes Shape

As reported in last week's *Memo to Members*, the Senate Appropriations Committee marked up the VA-HUD appropriations bill, S. 1584, and advocates have now had time to analyze what the appropriation would mean for housing programs, specifically the Housing Choice Voucher program. The Committee allocated \$18.4 billion, including \$13.383 billion for contract renewals, to the program, which is in itself inadequate to fund all vouchers in use. The bill, however, includes language that directs HUD to provide funds for all vouchers in use and all authorized vouchers that PHAs are able to use. The Senate bill, as does the House bill, also rescinds \$1.372 billion in unobligated funds and reappropriates those funds to the Section 8 program.

The Committee acknowledges that HUD is using out-of-date data as the basis for its funding request from Congress for the Section 8 program. In order to avoid the threat of inadequate funding in the future, the Committee urges HUD to use real-time data to assess the needs of the program. The Committee also charges HUD to request supplemental funding if it appears that there is not enough funding available for the voucher program.

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POINT OF VIEW

by Sheila Crowley, President

Most human service agencies have their origins in response to an unmet human need in the community that existing human service agencies are unable or unwilling to address. So someone creates an alternative, offering services in a manner that is differentiated from existing services and systems. But it is the nature of organizations to become more bureaucratic and less flexible as they grow and mature. Eventually, unless there is conscious leadership to do otherwise, what started as an alternative to the status quo becomes part of the status quo. And the cycle begins again. Along the way, the people who are the hardest to serve, the most vulnerable, and/or the least socially acceptable, get lost.

HUD issued a notice on July 22, 2003, on its proposed standards for the Congressionally mandated Homeless Management Information System (HMIS) and is accepting comments until September 22, 2003. To quote the notice, "an HMIS is a computerized data collection application designed to capture client-level information over time on the characteristics and service needs of homeless people." This means obtaining uniform information from every person served. The notice is clear in saying that HMIS will not create a national database of homeless people. Rather, every homeless service provider that receives McKinney-Vento homeless assistance funds from any federal agency or HOME, CDBG, or HOPWA funds will be required to collect identifying information for each person it serves that will go into a central database at the local level;

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**NATIONAL LOW INCOME
HOUSING COALITION**

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

While NLIHC supports including such language in the bill, it is important to note that the Committee would rely on HUD to fully fund the Section 8 program, something that should be the responsibility of Congress. Advocates may continue to pursue additional appropriations for the program to ensure sufficient funding and an accurate reflection of the program's real costs. Appropriations could be increased if additional funds were rescinded and reallocated to the Section 8 program. It is also important to keep the language in the final bill that would require HUD to use carryover funds, if necessary, to fully fund the program.

As the bill progresses, advocacy efforts may change. It is unknown when the bill will be taken up by the full Senate. Some reports are that the VA-HUD appropriations bill may end up in an omnibus bill later in the fall, limiting the opportunity for amendments. There may be an opportunity to improve the bill if it goes a conference between the House and the Senate after going to the Senate floor. NLIHC will continue to assess the bill and advocacy strategies as the bill progresses.

Housing Advocates Win on Superwaiver

On Wednesday, September 10, the Senate Finance Committee marked up legislation that would reauthorize the TANF program. In the beginning of the week, advocates learned that Senator Charles Grassley (R-IA), Chair of the Finance Committee, planned to include a superwaiver proposal in the TANF legislation. The superwaiver would be a 10-state demonstration program allowing governors, with the permission of cabinet secretaries, to waive federal laws and regulations related to several social service programs, including some housing programs. The superwaiver could also allow states to supplant state funding with federal funding, thereby causing programs to lose funding. Housing advocates feared that the superwaiver would lead to reduced funding and other harmful effects on public housing and homeless programs.

After hearing from low income housing advocates about serious concerns about housing programs being subject to the superwaiver, Senators convinced Senator Grassley to remove public housing and homelessness programs from the superwaiver proposal. Also removed were other programs not under the Finance Committee's jurisdiction. Unfortunately, TANF, the child care block grant, and the Social Services Block Grant (SSBG) are still included in the proposal.

Overall, the Senate version of the TANF bill remains harmful to low income families. Under the Senate bill,

work requirements would increase from 30 to 34 hours a week, with hours that a person spends in job training or vocational education counting towards the work requirement. Advocates have serious concerns about increasing work requirements without a similar increase in child care funding. Although the Senate bill provides \$1 billion above current levels for child care funding over the next five years, the amount of funding is still inadequate. The bill also include funding for states to develop marriage promotion programs, a notable policy win for the Bush Administration.

There is still a possibility that the bill can be improved when it goes to the Senate floor for a vote, although it is unclear when that will be. Senator Olympia Snowe (R-ME) may offer an amendment on the floor to increase child care funding. Housing advocates will continue to contact their Senators to ensure that public housing and homelessness programs do not reappear in the superwaiver proposal.

House Holds Hearing On GSE Oversight Proposal

The House Financial Services Committee held a hearing on Wednesday, September 10, to review the current regulatory structure of the housing government sponsored enterprises (GSEs), specifically Fannie Mae and Freddie Mac. The two witnesses were Treasury Secretary John W. Snow and HUD Secretary Mel Martinez.

Secretary Snow recommended that his agency be given oversight of the two largest mortgage financing GSEs by abolishing the current regulator, the Office of Federal Housing Enterprise Oversight (OFHEO), and creating a new agency within Treasury to carry on the regulatory oversight. Secretary Martinez of HUD, where OFHEO is currently housed, backed Mr. Snow's recommendation. However, Secretary Martinez called for a new office at HUD, funded with fees on the GSEs, to monitor and enforces Fannie and Freddie's affordable housing goals. He said he would set up sub-goals within the current structure in order to more thoroughly measure whether the GSEs were meeting their housing goals.

In general, the majority members of the Committee supported the proposed change. Several advocated including the Federal Home Loan Banks in this mix, although some worried that expanding the legislation to include the banks could slow down the legislative process. Several Democrats expressed strong concerns about the impact this change would have on the affordable housing mission of the GSEs. Ranking Minority Member Barney Frank (D-MA) questioned, "If we move the regulator to Treasury, what's left in HUD?"

(See Capitol Hill on p. 5)

HUD State and Local Rent Control Laws Not Preempted by Federal Law

On September 8, the U.S. Court of Appeals for the Ninth Circuit issued a decision affirming the lower court's ruling in *Topa Equities v. City of Los Angeles*. The decision held that federal law relating to the prepayment of a federally insured loan does not preempt Los Angeles's Rent Stabilization Ordinance. As a result, after prepaying a federally-insured mortgage on a building in Los Angeles, Topa Equities will not be able to increase rents until units become vacant.

The Low Income Housing Preservation and Resident Homeowner Act (LIHPHRA) passed Congress in 1990 and imposed strict requirements on owners of federally assisted housing if they were attempting to leave the program. Under LIHPHRA, state and local laws that would restrict or inhibit prepayment of federally insured mortgages were preempted by federal law. Congress eliminated LIHPHRA's prepayment restrictions in 1996, but whether the preemption provisions remain in effect has been in dispute.

In 1998, Topa Equities prepaid its mortgage on the property at issue and planned to increase rents to market levels. Topa Equities argued that the rent control laws were preempted by federal law and it should be allowed to raise the rents in its building immediately. In affirming the lower court, the appeals court held that the rent control laws were not preempted by the prepayment allowed by the federal program. The Court noted that the rent control laws did not restrict or prohibit prepayment and were not simply aimed at owners of federally-assisted properties but were generally applicable. The Court also determined that there was no conflict between the rent control laws and federal law.

As a backdrop for its opinion, the Court noted that the LIHPHRA preemption provisions remain in effect, despite the discontinuation by Congress of the legislation's prepayment restrictions. This was a disappointment to advocates, who fear the implication of those provisions on more specific state and local laws supporting the preservation of the affordability of federally assisted housing. Indeed, earlier this year, the U.S. Court of Appeals for the Eighth Circuit, in *Forest Park II v. Hadley*, held that a Minnesota law prohibiting prepayment was preempted by LIHPHRA.

Nevertheless, the *Topa Equities* decision itself was a positive outcome for preservation and for tenant protections. According to Jim Grow of the National Housing Law Project, who argued the case in the Ninth Circuit in collaboration with lawyers from the City of Los Angeles, "it is an important victory for the ability

(Continued next column)

National Housing Trust Fund Mr. Sanders Requests Affordability Conference

At this week's hearing in the House Financial Services Committee hearing on the regulatory oversight of Fannie Mae and Freddie Mac, Representative Bernie Sanders (I-VT) used his opening statement as an opportunity to report that H.R. 1102, the National Affordable Housing Trust Fund Act of 2003 now has 205 co-sponsors. He requested that Mr. Martinez host a major conference on the affordable housing crisis so that the Secretary and other HUD senior staff could hear from housing advocates about affordable housing problems across the country. Although the Secretary did not make such a commitment, NLIHC will follow up with Mr. Sanders and Mr. Martinez to push for the suggested national conference.



(Continued from previous column)

of state and local governments to regulate federally subsidized properties that are converting to market rate use, particularly for tenants in places such as Los Angeles and San Francisco, with rent control laws."

HUDClips

On September 10, HUD's Office of Public and Indian Housing issued Notice PIHN 03-20, emphasizing to Public Housing Agencies (PHAs) the importance of reporting homeownership activities under the housing choice voucher program. The notice expires August 31, 2004.

On September 12, HUD's Office of Public and Indian Housing issued PIHN 03-21. The notice provides guidance to small PHAs on how to prepare and submit a new Small PHA Streamlined Annual PHA Plan, and a new streamlined Annual Plan submitted only in years in which a 5-year PHA Plan is also due. The notice also explains other deregulatory changes applicable to small PHAs and to all PHAs contained in the June 24, 2003 final rule. The notice expires September 30, 2004.

On September 12, HUD's Office of Public and Indian Housing issued PIHN 03-22. The notice provides PHAs with information needed to complete their FFY 2004 operating budgets and subsidy eligibility calculations. It includes a schedule for the submission of certain items to HUD, as well as local inflation factors, data needed for the recalculation of the Formula Expense Level, and other special notes related to the operating subsidy calculation and processing. Following review of the submitted material, HUD will determine funding levels. The notice expires September 30, 2004.

All notices are available at www.hudclips.org.

Out of Reach *(cont'd from p. 1)*

housing, the family is then forced to make a choice between adequate housing and other necessities such as food, clothing, and medicine.

Ms. Fitzgerald called upon the leaders of the District of Columbia to realize its role as the nation's capital and set the precedent of making housing affordable for all its residents. She noted that many members of the DC community cannot afford the region's \$23.42 Housing Wage. "Congress are you listening?" Ms. Fitzgerald asked when calling on Members to "work so that working people can afford housing."

Father Creedon said the report accurately conveyed the message that Congress and the Administration should be "focused not on Weapons of Mass Destruction but instead on Programs of Mass Production." He compared the amount of money being spent fighting terrorism to what it would take to build more adequate housing. "We have the capacity to construct and build [housing]; it is just a matter of changing priorities. In order for people to live in peace and harmony with one another they need decent, safe, affordable housing," Father Creedon said. He called the fact that half of the homeless people living in shelters in Virginia are employed a scandal. Father Creedon also emphasized that "corporal works of mercy" are insufficient to address economic and social inequality.

Ms. Joseph of N Street Village, an organization providing a continuum of care for women in the District of Columbia, sighted the *Out of Reach* data as an illustration of the reason that there is such a long waiting list of women trying to get into her program. She shared the stories of two women living at N Street Village who become homeless due to economic circumstances beyond their control. "More of an investment needs to be placed on low income citizens," Ms. Joseph said. "American taxpayers have lost jobs because of this economy and yet, all the money is being spent on the war."

Mr. Mishel, President of the Economic Policy Institute, discussed the broader text of the economy in relation to the rising housing costs documented in *Out of Reach*. He stated that half of the people in the United States earn less than \$12 an hour, making the gap between the cost of housing and the ability to pay for housing even more astonishing. Over the last three years the ability to pay for housing has been plummeting, while housing costs have been rising. He said that the estimated 3.2 million jobs lost since 2001 will almost certainly increase the gap between wages and

housing costs. He also noted that while the unemployment rate nationally is 6.2%, it is likely 11% among African-Americans, and 20% among African-American females, making affordable housing for these populations even further out of reach. "We have been moving in the wrong direction by far and this trend is likely to continue in the coming years." Noting President Bush's pledge to do whatever it takes to win the war in Iraq, he asked "so why don't we ever say we are going to do whatever it takes to end the affordable housing crisis in this country?"

NLIHC hopes that *Out of Reach* will be used not just to provide reporters or politicians with a summary of the problem once a year, but to help individuals understand their own situations. Most people know what they earn and what they spend on housing. To these people, the numbers in *Out of Reach* make an immediate and visceral connection, allowing them to compare their own situation to those of others in their communities and across the country. Those who are housing cost burdened, those who are finding it difficult to find decent housing, and those who are homeless can see they are not alone in their experience. With *Out of Reach* in hand, individuals can walk into their political representatives' offices and point to the black and white numbers on the page and explain that they cannot afford a decent home.

Out of Reach is now available for free at www.nlihc.org. The cost to purchase a copy of the report is \$15 for members and \$25 for nonmembers. For details, call 202-662-1530 x227 or visit www.nlihc.org.

Fact of the Week

States with Largest Percentage Change in Two Bedroom Housing Wage, 2002-2003

Maryland	12.09%
Virginia	9.07%
California	7.59%
Massachusetts	5.92%
Connecticut	5.70%
New Jersey	4.73%
New Hampshire	4.57%
Arizona	3.52%
Minnesota	3.52%
New York	3.48%
Oklahoma	-1.25%

From *Out of Reach 2003*, www.nlihc.org

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

What strength is left behind the housing component?" Mr. Frank expressed skepticism at HUD's ability to continue to carry out its role if Treasury takes over the regulatory authority and said that he needs to be convinced that housing goals will not be at an institutional disadvantage.

Representatives of Fannie Mae and Freddie Mac say they generally support the Administration's goal of strong oversight. However, Fannie Mae Chair Frank Raines said in a prepared statement that "Fannie Mae would oppose any bill that includes provisions that we believe would be harmful to our mission, charter or status, or will in any way harm the interest of American home owners or renters." However, Fannie Mae staff report that the GSEs were taken by surprise by Mr. Martinez's proposal for a new GSE oversight office at HUD.

It is uncertain when legislation to change the GSEs regulators will be considered. However, House Financial Services Committee Chair Michael Oxley (R-OH) and Senate Banking Committee Chair Richard Shelby (R-AL) spoke after the hearing about moving forward on this proposal. Representative Richard Baker (R-LA), Chair of the House Capital Markets, Insurance and Government Sponsored Enterprises Subcommittee, plans to have a hearing September 18 on the proposed transfer of regulatory authority. As Congress plans to adjourn in mid-November, any legislation will have to be put on a fast track to become law in this session of Congress.

Senate Holds Oversight Hearing on FHLB System

The Senate Banking Subcommittee on Financial Institutions held a hearing on Tuesday, September 9, to review the safety and soundness of the Federal Home Loan Bank (FHLB) system and in particular its role in promoting homeownership.

The Administration's witnesses included Wayne Abernathy, Assistant Secretary of the Treasury for Financial Institutions, and John T. Korsmo, Chairman of the Federal Housing Finance Board, the system's regulator. Other witnesses included several FHLB presidents as well as bank directors.

Chairman Robert Bennett (R-UT) asserted in his opening statement that the hearings were not being held in order to resolve a specific problem. Rather, the Committee would continue to monitor the role of the Banks given that capital for housing is so dependent on their continued safety and soundness.

One point of discussion was whether the FHLBs should register with the SEC under the 1934 Securities Act. The Treasury testimony supported this voluntary registration, but not all FHLB districts are in agreement. Also discussed was whether there should be one regulator for all housing GSEs, a topic carried over to the hearings the next day in the House Financial Services Committee. There were many views expressed, but in general, representatives of the FHLBs said they prefer to keep their current regulator.

The hearing brought out concerns that with the growth and complexity associated with the U.S. housing finance market, it is of utmost importance to maintain strong oversight of the FHLBs to ensure that the system is achieving the goals set forth by Congress.

New Legislation

On September 9, Representative David Dreier (R-CA) introduced H.R. 3045, which was referred to the House Financial Services Committee. The bill would amend Section 105 of the Housing and Community Development Act of 1974 to permanently extend the public service cap exemption for certain grantees under the Community Development Block Grant program.

On September 10, Representative Virgil Goode (R-VA) introduced H.R. 3067. The bill would provide mortgage payment assistance for certain employees who are separated from employment. The bill was referred to the House Education and the Workforce Committee. The companion bill, S. 1597, was introduced by Senator George Allen (R-VA) and was referred to the Senate Health, Education, Labor, and Pensions Committee.

On September 10, H.R. 3071 was introduced by Representative Ron Paul (R-TX), and it was referred to the House Financial Services Committee. The bill prohibits the provision of federal funds to the housing-related government-sponsored enterprises and would remove certain competitive advantages granted under law to such enterprises.

S. 1607 was introduced on September 11 by Senator Lindsey Graham (R-SC). The bill would establish a federal program to provide reinsurance to improve the availability of homeowners' insurance. It 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/>.

Update from the Field

PA Governor Keeps Campaign Pledge

The Housing Alliance of Pennsylvania (formerly the Pennsylvania Low Income Housing Coalition) has advocated for some time for the creation of a position in state government that would report to the Governor and play a coordinating role for housing policy in the state. The Alliance believes that this position is necessary to end the piecemeal nature of housing policy and strategy in the state, and to that end, the Alliance made this issue part of the Governor's race in 2002. As a candidate, now-Governor Ed Rendell (D) committed to appointing a director of Housing and Community Revitalization and creating a Housing Cabinet in his administration. On September 10, the Alliance's efforts paid off and the Governor made good on his promise.

Declaring that "we will be able to focus our efforts in a way that will result in better coordination of our programs and more effective and efficient use of our resources," Governor Rendell issued an Executive Order creating the Governor's Office of Housing and Community Revitalization. The Office will manage Pennsylvania's overall housing policy by serving as a primary liaison among all of the state entities involved in housing and community revitalization. The Office will also represent the Governor in working with public and private housing agencies in the state.

The Governor appointed Larry Segal, a developer whose company has worked on urban revitalization efforts, as the first executive director of the Office. Mr. Segal is also a former director of the state's Office of Community Development and Housing. In commenting on the creation of the Office and the appointment of Mr. Segal, Affordable Housing Alliance of Pennsylvania executive director Liz Hersh said, "We're thrilled to have somebody so capable heading the Office and we're pleased about the Governor's commitment and follow through on his campaign promise. And we're optimistic about what this will mean for the future of affordable housing in Pennsylvania." The Alliance is also pleased that this position reports to the Governor and is not buried within state government bureaucracy.

The Governor also created a Housing Cabinet, to be chaired by the executive director of the Housing and Community Revitalization Office. The members of the Housing Cabinet will be the seven state government agency heads, the executive director of the Pennsylvania Infrastructure Investment Authority, and the Governor's chief of staff, general counsel and director of policy.

Resources

Labor Market Left Behind

The Economic Policy Institute (EPI) has released a briefing paper highlighting labor trends during the recent economic recovery. The paper, "Labor market left behind: Evidence shows that post-recession economy has not turned into a recovery for workers," looks at how the labor market has continued to contract while the economy has technically been out of recession since November of 2001.

Much of the report compares the current post-recession recovery to previous post-recession recoveries. Of the 10 recessions occurring between 1945 and the present, the current one is the only one to see net job losses in the private sector 20 months after the recovery began. Since the recovery began, employment has fallen by over 1 million, and since the beginning of the recession, 3.2 million private sector jobs (as well as 2.7 million other jobs) have been lost.

Also notable is how multiple sectors of the labor market have been affected. While manufacturing employment has been hit especially hard, this sector typically sees job loss during recessions. This recession is novel in that large white collar job loss has also occurred – college graduates and those with jobs in information technology and financial services have all been strongly affected, the report finds.

The report states that while the recent spending increases (particularly in defense spending) and tax cuts will likely lead to some near-term growth, they have thus far not had much of an effect on the economy. Also, any growth related to these factors may not be sustainable given wage trends and other economic indicators. The authors argue that more effort should have been spent on granting states fiscal relief and less should have been spent on tax cuts for the wealthy.

The report also shows how the current economic recovery is happening too slowly to lower unemployment or to stimulate job growth. The effects from worker productivity gains, tax cuts, and federal spending are not enough to stimulate the economy to actually increase employment. Slow wage growth and other weaknesses in the labor market also contribute to slowing any potential recovery.

The report can be found at www.epinet.org/content.cfm/briefingpapers_bp142.

EPI has also launched JobWatch, a website designed to follow trends in the current U.S. labor market. The August JobWatch update compares government estimates of employment growth to actual employment figures and also looks at how labor trends for the current period compare to other post-recession recoveries. The JobWatch website is <http://jobwatch.org/national.html>.

NLIHC Staff

NLIHC Staffing Update

With the addition of three new staff positions this year, the departure of Harry Lawson who served as Field Director, and the need for Irene Basloe Saraf to relocate to Seattle with her husband's job transfer, some reorganizing of staffing at NLIHC this summer was in order. The very fortunate result is that Irene will continue to work for NLIHC in the capacity of Associate Director and will be based on the West Coast. Besides representing NLIHC on the West Coast and providing consultation on policy issues, she will be responsible for coordinating NLIHC's work with our existing state coalition partners, and supporting new coalitions that are emerging in several states. She will also take on responsibility for NLIHC's larger publications including the *Advocate's Guide* and the *NIMBY Report*.

The other major change is that field and communications functions have been combined under the leadership of Kim Schaffer, who has served NLIHC as both Field Director and Communications Director. Kim's new title is Director of Outreach and Education, which entails media and organizing responsibilities. In addition to editing and producing *Memo to Members* every week and working with the media, Kim supervises Julie Eisenhardt, the organizer for the National Housing Trust Fund Campaign, and Katie Fisher, who is coordinating our voter engagement project.

With Irene's departure from Washington, the position of Legislative Director became open. We are extremely pleased that Bonnie Caldwell has joined the staff in this role starting September 8. Before coming to NLIHC, Bonnie was Vice President of The Bond Market Association, where she focused on mortgage-backed security issues and housing bonds. Prior to that, she spent 20 years on Capitol Hill where she worked extensively with housing issues on the former Banking, Finance and Urban Affairs Committee in the House of Representatives for Chairman Henry B. Gonzalez (D-TX). Working with Bonnie on legislation is Kim Willis, who joined the staff earlier this summer as Policy Analyst.

In addition, several students and recent graduates have recently joined the NLIHC staff as interns:

Synavia George has joined NLIHC as a social work intern. Synavia hails from Williamston, NC, and received her bachelor's degree from the University of North Carolina at Wilmington in psychology. She is currently obtaining her master's degree from Howard University's School of Social Work, where she is an active member of the National Association of Black Social Workers. Synavia recently received the Cemo James Scholarship Award for outstanding community service.

Kirsten Kaufman is working as a field/communications intern. Originally from Illinois, Kirsten is a senior at American University, where she is a history major and justice minor. Kirsten notes that this is her first internship and that she is very exciting to be working on social justice issues.

Isaac Brown has also joined NLIHC as a field/communications intern. Isaac graduated in May from Clark University in Massachusetts with a degree in American government. He is taking the year off before going to law school in 2004, where he plans to do public interest law. In addition, Isaac spent the past two years as an intern for Senator John Kerry (D-MA), both in his DC office on his re-election campaign for the Senate.

Alexis Laing has joined NLIHC as a legislative intern. She is an undergraduate student at the University of Southern California, where she is working toward a double degree in economics and public policy, management and planning with an emphasis in urban planning and development. This semester she is attending Howard University as part of an exchange program.

NLIHC Staff

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- Bonnie Caldwell, Senior Legislative Director, x242
- Sheila Crowley, President, x224
- Julie Eisenhardt, Field Organizer, x223
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- Kirsten Kaufman, Intern, x244
- Alexis Laing, Intern
- Khara Norris, Executive Assistant, x224
- Danilo Pelletiere, Research Director, x237
- Irene Basloe Saraf, Associate Director, 202-744-5766
- Kim Schaffer, Outreach 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

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

these data will be sent in the aggregate to the national level.

HUD could meet its Congressional mandate by gathering just identifying information (name, social security number, date of birth, race, gender, veteran status, etc.) for the purpose of creating an unduplicated count of homeless people. But HUD did not stop there. The notice goes on with a lengthy list of questions that HUD wants homeless service agencies to ask of their clients for the purpose of preparing their HUD required Annual Progress Reports. This list includes questions about physical disabilities, developmental disabilities, AIDS/HIV, mental health, and substance abuse, to name a few. The notice points out that a client is not required to answer these questions, but the agency is required to report these data. Further, agencies are encouraged to share data among themselves at the local level. Concerns about confidentiality are addressed with electronic and other protections.

There is no recognition, however, that the very act of asking questions of this nature is a barrier to service. At the homeless service agency where I worked for many years, a young man came in and introduced himself as Queen Victoria. He was delusional and skittish. His story emerged over several weeks over chess games with a staff member who gained his trust. Today, David (not his real name) has his own apartment and a stable, if unconventional, life. David is just one example of the hundreds of homeless people I have

known for whom ending his homelessness meant not only not requiring him to give information about himself as a condition of service, but not even asking him any questions at all until he was ready to answer them. HUD's proposed HMIS misses this point entirely.

The HMIS as proposed may produce lots of data to be analyzed, but will also reduce access to homeless service agencies for the homeless people with the most disabling illnesses. (Aren't these the people HUD says it wants to help the most?) Alternative agencies will have to emerge in response to the unmet need.

Of course, the point that HUD and Congress are really missing is that all this data collection and analysis does not produce a single new unit of affordable housing. With a sufficient supply of housing, there would be no need for a Homeless Management Information System or homeless service agencies to implement it.

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

September 12, 2003

Vol. 8, No. 36

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

September 2003

TEXAS Settlement Releases Dallas from Desegregation Order

The *Walker* case was filed in 1985 by seven residents of Dallas public housing against the Dallas Housing Authority (DHA) and HUD, alleging that the two agencies had worked together to limit housing opportunities for African-American residents to segregated and disadvantaged neighborhoods. The city was added to the lawsuit three years later, with plaintiffs alleging that city officials had obstructed efforts to redevelop housing in more attractive parts of Dallas.

On August 12, U.S. District Judge Jerry Buchmeyer approved a settlement agreement that removes the City of Dallas from the long-running *Walker* suit. Under the terms of the agreement, which was supported by the plaintiffs, the city agreed to continue providing financial and other assistance to support desegregation efforts for three years.

In interim orders in 1994 and 1996, respectively, Judge Buchmeyer held DHA and HUD liable for intentional racial discrimination, and ordered remedial measures. The plaintiffs reached a settlement with HUD in 2001 when the federal agency allocated an additional 3,205 Section 8 vouchers to help public housing residents move to neighborhoods that were not predominantly black and poor.

In the 15 years since the city was joined in the suit, plaintiff's attorney Mike Daniel has seen a change of attitude and a dramatic increase in the number of affordable units in many parts of the city. While still vigilant to ensure enforcement of the new settlement, Mr. Daniel says, "The city really has completed a lot of the things they were required to do, even if they didn't necessarily do it on time, or willingly, or completely. It's a very different system than it was 15 years ago."

For its part, the city is relieved to be out from under court supervision. In a written statement, City Attorney Madeleine Johnson said, "The Walker Consent Decree required the cooperation and hard work of virtually every city department, and those efforts have resulted in significant improvements to neighborhoods and their residents. The city can now set its own public housing policies without court monitoring or intervention."

Pursuant to the settlement, the city commits, through 2006, to provide: (1) Daily police patrols at selected public housing projects; (2) Nine neighborhood-assistance centers staffed with police officers and social service workers; (3) Bimonthly reports of criminal activity at housing projects; (4) \$75,000 per year for bonuses for landlords in non-minority neighborhoods who rent to voucher holders; (5) \$5,000 per year to monitor market rent levels in the Dallas-Fort Worth area; and (6) Use of the same code enforcement standards at Dallas Housing Authority multifamily units. The city will also pay \$175,000 to cover plaintiffs' attorney fees and expenses.

For more information: Mike Daniel, Esquire. Telephone: 214/939-9230. Madeleine B. Johnson, City Attorney. Telephone: 214-670-3491.

CONNECTICUT State Supreme Court Exempts Public Housing From Strict Zoning Notice Requirements

In a decision released August 5, 2003, the Connecticut Supreme Court has rejected a neighborhood organization's challenge to the scattered site housing program of the Housing Authority of the City of New Haven, and made clear that it did so, in part, to prevent the rampant effects of NIMBYism in more affluent communities.

The case, titled *Edgewood Village, Inc. v. Housing Authority of the City of New Haven*, considers the legal issue of "standing," that is, whether the neighborhood organization had the legal right to sue the Housing Authority over its purchase of a single-family residence in which it placed a public housing resident. Edgewood Village, Inc. (EVI) alleged that the Housing Authority failed to give "timely and proper notice" of a public hearing concerning acquisition of the house in question, and failed to provide "adequate supervision" to ensure that surrounding property values were not affected.

Before it could consider these claims, however, the court had to ascertain whether EVI had a sufficient stake in the outcome to invoke the power of the court. Finding that its interest was no different than that of any other resident of New Haven, the

court held that EVI did not have standing, and dismissed the suit. In reviewing the history of the state statute requiring housing authorities to provide notice of a public hearing, the Court found that the state legislature did not intend to give neighbors the same rights as had been conferred in zoning and land use matters. Rather, “the legislature invested discretion solely in the housing authority to make decisions regarding the location of public housing projects...just as any other private individual may in deciding whether to purchase a home....” In essence, the public hearing was instituted to make sure that the housing authority had the ability to make informed decisions, *not* to ensure full public input.

Finally, the court rejected EVI’s argument about property values, saying: “In essence, the plaintiffs are attempting to undo a real estate transaction because they believe that

the persons who will reside there may cause the surrounding property values to decline....[S]uch a view would continue to perpetuate the ‘not-in-my-backyard’ response that is so often recited in reaction to such placements.”

For more information: Shelley White, Esquire, New Haven Legal Assistance. Telephone: 203/946-4811. The full text of the court’s opinion is available at www.jud.state.ct.us/external/supapp/Cases/AROCr/CR265/265cr118.pdf.

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

FY2004 Budget Chart for Selected Programs

Dollars in Millions

HUD Program (set-asides indented)	FY00 Enacted	FY01 Enacted	FY02 Enacted	FY03 Request	FY03 Enacted	FY04 Request	FY04 House	FY04 Senate Comm.
Housing Certificate Fund ¹	\$11,376	\$13,941	\$15,641 ²	\$17,527 ³	\$17,112 ⁴	\$0 ⁵	\$18,581 ⁶	\$18,433 ⁷
Housing Assistance for Needy Families	--	--	--	--	--	13,607 ⁸	0 ⁹	0 ⁹
Contract Renewals	10,640	12,972	15,085 ¹⁰	16,812 ¹¹	16,633 ¹²	13,047 ¹³	18,306 ¹⁴	18,106 ¹⁵
New Section 8 Vouchers	346	453	144 ¹⁶	204 ¹⁷	0 ¹⁸	36 ¹⁹	0 ¹⁸	0 ²⁰
Project-Based Rental Assistance	--	--	--	--	--	4,823 ²¹	0 ²²	0 ²²
Contract Administration	194	192	196	196	195	100	100	100
Public Housing Capital Fund	2,900	3,000	2,843 ²³	2,426 ²⁴	2,712 ²⁵	2,641 ²⁶	2,712 ²⁷	2,641 ²⁸
Resident Opp'ty & Self Sufficiency	55	55	55	55 ²⁹	55 ³⁰	55 ³¹	55 ³²	55 ³²
Public Housing Operating Fund	3,138	3,242	3,495	3,530	3,577 ³³	3,574 ³⁴	3,600	3,576
Drug Elimination Grants	310	310	0 ³⁵	0	0	0	0	0
HOPE VI	575	575	574	574 ³⁶	570 ³⁷	0 ³⁸	50 ³⁹	195 ⁴⁰
Native American Housing Block Grants	620	650	649	647	645	647	661	646
Native Hawaiian Housing Block Grant	--	--	--	10 ⁴¹	10 ⁴²	10 ⁴¹	10 ⁴²	10 ⁴²
Elderly Housing (Section 202)	710	779	783	774 ⁴³	778 ⁴⁴	774 ⁴⁵	773 ⁴⁶	783 ⁴⁷
Disabled Housing (Section 811)	201	217	241 ⁴⁸	250 ⁴⁹	249 ⁵⁰	251 ⁵⁰	251 ⁵⁰	251 ⁵⁰
Rental Housing Assistance	--	--	--	--	0 ⁵¹	0 ⁵²	0 ⁵²	0 ⁵²
HOME Investment Partnership Prog.	1,600	1,800	1,846 ⁵³	2,084	1,987	2,197 ⁵⁴	1,939	1,925
Housing Counseling Assistance	15	20	20	35 ⁵⁵	40 ⁵⁶	45 ⁵⁵	40	40
Downpayment Assistance	--	--	50 ⁵⁷	200	75	200	125	50
Community Development Block Grants	4,800	5,057	5,000 ⁵⁸	4,732 ⁵⁹	4,905 ⁶⁰	4,732 ⁶¹	4,959 ⁶²	4,950 ⁶³
Self-Help Homeownership Opp'ty	20	20	22	65	25	65	28	12
Youthbuild	42.5	60	65	65	60	65	65	60
Economic Development Initiative	256	292	294	0	259	0	138	140
Homeless Assistance Grants	1,020	1,025 ⁶⁴	1,123 ⁶⁵	1,130 ⁶⁶	1,217 ⁶⁷	1,325 ⁶⁸	1,242 ⁶⁹	1,325 ⁶⁹
Shelter Plus Care Renewals	0	100	0	0	0	0	0	0
Samaritan Housing	--	--	--	--	--	50 ⁷⁰	0	0
Emergency Food and Shelter (FEMA) ⁷¹	110	140	140	153 ⁷²	152 ⁷³	153 ⁷²	153 ⁷³	153 ⁷³
Housing for Persons with AIDS	232	258	277	292	290	297	302	302
Rural Housing and Economic Dev't	25	25	25	0	25	0	25	25
Brownfields Redevelopment	25	25	25	25	25	0	25	25
Fair Housing Assistance Program	20	22	26	26	26	30	26	30
Fair Housing Initiative Program	24	24	20	20	20	20	20	20
Lead-Based Paint Hazard Reduction	80	100	110	126	175 ⁷⁴	136	130	175
Salaries and Expenses	1,005	1,070	1,097	1,070	1,083	1,112	1,122	1,112
TOTAL (Discretionary)⁷⁵	\$26,496	\$30,309	\$30,149⁷⁶	\$31,422	\$31,009⁷⁷	\$31,300	\$31,831	---⁷⁸

¹ Includes \$4.2 billion in advance appropriations in all cases.

² 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.

³ Provides for \$1.1 billion in rescissions.

⁴ Provides for \$1.6 billion in rescissions.

⁵ 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.

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

⁷ Includes \$1.372 billion in rescissions.

⁸ Includes unobligated balances transferred from the Housing Certificate Fund.

⁹ Does not split tenant-based and project-based accounts as requested by HUD.

¹⁰ Represents actual spending of \$15.7 billion, using \$640 million from the reduction of Section 8 reserves from two months to one month.

¹¹ Does not include \$260 million in tenant protection vouchers and \$52 million for Family Self-Sufficiency coordinators.

¹² 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.

¹³ 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 million in tenant protection vouchers, \$72 million for Family Self Sufficiency (FSS) coordinators, or \$100 million to replenish PHA reserves used in FY03

¹⁴ 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.

¹⁵ Includes \$11.383 billion for voucher renewals, \$461 million in Central Reserve Fund (with \$100 million to replenish reserves used in FY03), \$1.339 billion for administrative fees (minus \$20 million for tenant protection voucher administration), and \$4.823 billion for project-based renewals. Does not include \$252 million for tenant protection vouchers and \$72 million for FSS coordinators.

¹⁶ 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.

¹⁷ Funds Section 8 downpayment assistance (\$15 million) and approximately 33,400 new vouchers, including fair share and others.

¹⁸ Directs HUD to provide incremental vouchers previously issued for non-elderly disabled families to be reissued to such families.

¹⁹ 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.

²⁰ The Secretary may use up to \$36 million for incremental vouchers for certain non-elderly disabled families if funds are available.

²¹ Funds renewal of project-based housing assistance contracts; includes \$300 million in carryover funds rescinded and reappropriated.

²² Assumes \$4.823 billion for renewal of project-based contracts, but not in a separate account, as requested by HUD.

²³ Includes \$15 million for the Neighborhood Networks Initiative and \$10 million in remediation funds for troubled PHAs.

²⁴ Represents a decrease in unrestricted capital funds of \$441 million due to increased set-asides; proposes conversion of public housing units to project-based voucher assistance to facilitate private financing for capital needs.

²⁵ 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 by August 7, 2003, on PHAs that have used private financing to meet capital needs.

²⁶ Proposes public housing reinvestment initiative (PHRI), with conversion of public housing to project-based voucher assistance to facilitate private financing for capital needs, combined with up to \$131 million in loan guarantees.

²⁷ Does not fund public housing reinvestment initiative (PHRI) proposal.

²⁸ Does not fund PHRI but allows up to \$125 million to be used for loan guarantees.

²⁹ In FY01 and FY02, ROSS was a set-aside within CDBG.

³⁰ Follows Administration's request to make this a set-aside within the Public Housing Capital Fund rather than CDBG.

³¹ Set-asides of \$40 million in Public Housing Capital Fund and \$15 million in Public Housing Operating Fund.

³² Set-aside within Public Housing Capital Fund only.

³³ 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.

³⁴ Includes \$15 million for ROSS.

³⁵ The conference report noted that PHAs are allowed to use their operating and capital funds for anti-crime and anti-drug efforts.

³⁶ Includes a set-aside of \$50 million for grants for capital costs associated with conversion from public housing to project-based voucher assistance.

³⁷ Reauthorizes HOPE VI through the end of FY04.

³⁸ No funding requested because HUD claims enough funding has been committed to meet 1992 demolition goals, with significant funds in pipeline.

³⁹ Includes \$5 million for technical assistance and contract expertise (\$4.5 million added during House floor debate to \$500,000 provided by Committee).

⁴⁰ Allows for recapture of certain pre-1997 grants and provides \$3 million for technical assistance.

⁴¹ 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.

- ⁴² To be funded under CDBG rather than under its own account as the Administration requested.
- ⁴³ Includes \$44 million, plus up to \$9 million in recaptured funds, for service coordinators; and \$30 million for conversion to assisted living.
- ⁴⁴ Provides \$50 million for service coordinators, \$30 million for conversion to assisted living and \$30 million to facilitate Section 202 projects.
- ⁴⁵ Provides \$53 million for service coordinators and \$30 million for conversion to assisted living.
- ⁴⁶ Provides \$50 million for service coordinators and \$25 million for conversion to assisted living.
- ⁴⁷ Provides \$50 million for service coordinators and \$30 million for conversion to assisted living.
- ⁴⁸ Includes \$23 million for the renewal of tenant-based assistance, rather than renewing under the Housing Certificate Fund.
- ⁴⁹ The Administration has proposed that up to \$62.5 million can be earmarked for tenant-based assistance.
- ⁵⁰ The Secretary may designate up to 25% for tenant-based assistance.
- ⁵¹ Recaptured Section 236 budget authority would be rescinded, despite Senate proposal to make up to \$100 million available for rehabilitation grants.
- ⁵² \$303 million in recaptured Section 236 budget authority would be rescinded.
- ⁵³ Includes \$50 million set-aside for the Downpayment Assistance Initiative, subject to authorization.
- ⁵⁴ Includes \$25 million for lead hazard reduction demonstration program.
- ⁵⁵ This program has been a set-aside in HOME; the Administration proposes to make it a separate program.
- ⁵⁶ Remains a set-aside within HOME.
- ⁵⁷ Appropriation subject to authorization; there was no authorization June 30, 2002 and the funds were rescinded in FY02 Supplemental Appropriations.
- ⁵⁸ Includes \$4.3 billion in CDBG formula block grants and \$659 million in set-asides.
- ⁵⁹ Includes \$4.4 billion in CDBG formula block grants; would reduce funds for wealthier communities and apply \$16 million Colonias Gateway Initiative.
- ⁶⁰ Includes \$4.4 billion for formula grants; does not change the CDBG formula or fund the Colonias Gateway Initiative.
- ⁶¹ Includes \$4.4 billion for formula grants and \$16 million for the Colonias Gateway Initiative, among other set-asides.
- ⁶² Includes \$4.5 billion for formula grants and other set-asides, but does not fund the Colonias Gateway Initiative.
- ⁶³ Includes \$4.6 billion for formula grants and other set-asides, but does not fund the Colonias Gateway Initiative.
- ⁶⁴ Maintains the requirement that 30% of funds be used for permanent housing. Shelter Plus Care renewals are funded separately.
- ⁶⁵ Includes Shelter Plus Care renewals, maintains 30% requirement for permanent housing, and provides \$500,000 for Inter-agency Council on Homeless.
- ⁶⁶ Includes Shelter Plus Care renewals, maintains 30% requirement for permanent housing and provides \$1 million for Inter-agency Council on Homeless.
- ⁶⁷ 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.
- ⁶⁸ 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.
- ⁶⁹ 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.
- ⁷⁰ Proposed competitive grant program in a broader interagency effort to combat long-term homelessness. Administration will submit legislation.
- ⁷¹ EFSP is currently part of FEMA's budget.
- ⁷² This program would be transferred from FEMA to HUD.
- ⁷³ Rejects Administration's proposal to move EFSP to HUD from FEMA.
- ⁷⁴ Includes \$50 million set-aside for an urban lead hazard reduction demonstration program.
- ⁷⁵ 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.
- ⁷⁶ This total does not include \$2 billion in emergency supplemental funds in connection with recovery from September 11, 2001 terrorist attacks.
- ⁷⁷ Reflects 0.65% across-the-board cut.
- ⁷⁸ The Senate has not provided a "net" appropriation figure that is consistent with the other totals listed.