

# MEMO OF MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

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## Capitol Hill

### Advocates Celebrate Voucher Victory

After spending months educating Members of Congress on the importance of providing full funding for the Housing Choice Voucher program, advocates are celebrating the House-Senate conference report that emerged last week (see following article) that does indeed include funding for all vouchers currently in use. Thanks to the work of advocates and the bipartisan support of Members, conferees appropriated an additional \$910 million above the House level and \$1.01 billion above the Senate level (essentially the same as the President's request) to the program, enough to support 96.8% of all authorized vouchers, which should fund all vouchers in use in FY04.

Advocates had been warning Members of Congress that the President's request for the Housing Voucher program would have led to the loss of tens of thousands of vouchers and the first time in the history of the program that all vouchers currently in use would not have been funded.

The additional appropriations differ from the "certainty" language from the Senate bill that advocates had initially supported. The Senate language would have forced HUD to use rescissions, or unspent funding from prior years, to ensure full funding of the program. Instead, by increasing the amount of rescissions directed to the program as appropriations, conferees essentially did what the Senate language would have required HUD to do. Under the bill, \$2.8 billion was rescinded from prior years, as opposed to the \$1.3 billion proposed rescission in both the House and Senate bills. This additional rescission was made possible by a one-time surplus in the voucher program for FY03, which was the result of a change in HUD renewing processes required to implement the new requirement that only vouchers in use, not all authorized vouchers, be funded.

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## National Housing Trust Fund

### MO Governor Endorses;

### Win \$500 By Helping Reach 5,000

Thanks to the work of Missouri advocates, Governor Bob Holden (D-MO) this week became the fourth governor to endorse the National Housing Trust Fund Campaign. In addition, several dozen state and local organizations have joined the campaign, bringing the total number of endorsers to more than 4,730.

The new endorsements come in response to the Campaign's end-of-the-year endorsement contest. As part of the Campaign's goal of reaching 5,000 endorsers by the end of the year, NLIHC will offer \$500 to cover registration costs and travel expenses to the Coalition's April 2004 Housing Policy Conference to the organization that submits the most new organizational or local elected official endorsements by December 20, 2003.

The winning organization must submit at least 15 endorsements. With each endorsement sent in, please include the name of the person or organization responsible for getting the endorsement. NLIHC's conference will be held April 26 and 27 in Washington, DC. For endorsement forms you can distribute to your networks, visit [www.nhtf.org/forum/signup.asp](http://www.nhtf.org/forum/signup.asp) or email [kim@nlihc.org](mailto:kim@nlihc.org).



## POINT OF VIEW

by Sheila Crowley, President

The Consolidated Appropriations Bill, aka H.R. 2673, "Making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2004, and for other purposes," was finally approved by the conference committee on November 25, 2003. As reported elsewhere in *Memo*, when the bill will be approved by the House and the Senate and sent to the President for his signature is still up in the air.

Part of the hold-up now is that Senator Robert Byrd (D-VA) objects to the bill coming to the floor of the Senate under unanimous consent, which would mean a voice vote and no opportunity for amendment. Senator Byrd does not think the Senate should approve such a huge bill (\$820 billion) with no further debate. It subsumes seven of the 13 appropriations bill and covers all major domestic spending except for Homeland Security. Although the House had completed work on all its bills individually, the Senate has been to-ing and fro-ing for weeks on taking up each bill or rolling them all together.

While these large "omnibus" bills are generally more for the purposes of political expediency than good government, this lumping of all this spending into one document does have one redeeming quality: Anyone who wants to find the outcome for any particular program has to scroll through seven appropriations bills, exposing the incredible glut of earmarks along the way. These specific amounts of money for specific pet projects of specific mem-

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Total funding for the voucher program for FY04 is \$14.182 billion, which includes \$12.811 billion for renewal of all vouchers in use and replenishing of PHA reserve accounts, \$136 million for the central fund, and \$1.235 billion for PHA fees for administering the program. The total Housing Certificate Fund also includes \$4.72 billion for renewal of Section 8 project-based contracts.

While pleased with voucher funding levels, advocates expressed some concerns about other voucher-related provisions in the bill.

The \$1.235 billion for the administration of the voucher program is about 5% less than what PHAs assert they need to adequately fund administrative costs. The conferee report also instructs HUD to work to control what it terms "spiraling" voucher costs. HUD is to report to the appropriations committee by July 31, 2004, on the underlying reasons for annual increases in the average costs of Section 8 vouchers.

Advocates had also urged conferees to retain the Senate language on overleasing, which would have allowed PHAs the flexibility to temporarily overlease their vouchers in order to ensure maximum voucher utilization throughout the year. The FY03 appropriations bill was the first to prohibit the overleasing of vouchers as a utilization tool, and conferees kept the FY04 House language retaining the prohibition.

The \$36 million for 5,500 new (incremental) vouchers proposed by the Senate was not included in the conference bill. These vouchers would have assist non-elderly and disabled families impacted by elderly-only designations in public housing. Despite long voucher waiting lists throughout the country, this is the second year in a row that no incremental vouchers were included in the budget.

Advocates also expressed disappointment over funding of both Family Self-Sufficiency (FSS) coordinators and new tenant protection vouchers. Funding for FSS coordinators was held to the FY03 level of \$48 million, despite the President's request and Senate appropriation of \$72 million. FSS coordinators help families access job training and employment opportunities. Under the current bill, HUD would receive \$206 million for new tenant protection vouchers, despite the President's request of \$252 million for the program. Tenant protection vouchers are used to assist families displaced by other housing programs.

## Appropriations Process Closer to End

After House and Senate conferees completed their work, an omnibus FY04 appropriations bill was filed in the House on November 25 that encompasses seven spending bills, including VA-HUD. FY04 began on October 1, but the majority of federal programs have been operating at FY03 funding levels since September 30, under a number of continuing resolutions.

Advocates have worked for months to ensure that housing programs received adequate funding, and while adequate funding levels for the voucher program represented a real victory (see related article), the entire HUD budget remains inadequate. Exacerbating the inadequacy is the .59% across-the-board cut mandated in the omnibus bill to fund other Congressional priorities. Thus, if these cuts are adopted, all figures in this article would be reduced by .59%.

None of the funding levels in the omnibus are final until the bill is passed by both the House and Senate and signed by the President. The House is scheduled to reconvene and to vote on the omnibus bill on December 8, but the Senate has adjourned and will not vote on the bill until Senators return in late January. House and Senate leaders had planned to allow the House to vote on the bill and allow the Senate to pass the bill without a roll call vote. However, it has been reported that a number of Senators, including Appropriations Committee Ranking Member Robert Byrd (D-WV), demanded a roll call vote in the Senate. As the Senate operates under unanimous consent rules, the objection of these Senators means the bill will not be voted on until January.

Overall, the House and Senate conferees allocated a net appropriation of \$36.1 billion to HUD. This is the level that the Senate allocated. While a decrease of approximately \$91 million from the House bill, the bill is \$876 million above FY03 and \$157 million above the Administration's request. Funding levels for many programs in the omnibus fall in between the House and Senate appropriations.

Public housing programs remain inadequately funded. The public housing capital fund would remain at FY03 funding levels of \$2.712 billion, still inadequate to address the estimated \$20 billion backlog in public housing capital needs.

The Public Housing Operating Fund, which PHAs use to fund operating expenses including as utility payments and maintenance, received the House allocation

*(See Capitol Hill on p. 4)*

## HUD Regulatory Barriers

As part of its new America's Affordable Communities Initiative to address regulatory barriers that impede the production of affordable housing, HUD is seeking comments for an initiative that would award additional points to grant applicants whose communities have been successful in removing such barriers. The notice, FR-4882-N-01, was released November 25. The comment due date is December 29, 2003.

Also as part of America's Affordable Communities Initiative, FR-4890-N-01 solicits public comment on HUD regulations that address or present barriers the production and rehabilitation of affordable housing. Comments are due January 26, 2004.

## Section 202 and Section 811

The American Homeownership and Economic Opportunity Act of 2000 enables mixed-finance and for-profit participation in the Section 202 Supportive Housing for the Elderly program and the Section 811 Supportive Housing for Persons with Disabilities program. Interim rule FR-4725-I-01, issued on December 1, issues statutory changes based on the Act, including using the mixed-finance development model to leverage the capital and expertise of the private developer community to create attractive and affordable supportive housing developments for the elderly or persons with disabilities. Tax credits can now be used to supplement HUD funding, and the rule sets standards for the participation of limited partner investors (who may be for-profit entities) in partnership with a nonprofit partner, as well as other matters relevant to mixed-finance development of these types of projects. The rule takes effect December 20, 2003; comments are due January 30, 2004.

Also related to the Section 202 and Section 811 programs, HSGN 03-26 was released on December 2. The directive includes the operating cost standards (OCS) that HUD will use to calculate the annual per person/per unit amount of a project rental assistance contract (PRAC) when making FY03 subsidy fund reservations. The standards were updated using the national Consumer Price Index (CPI) of housing changes for 2002. HUD offices are to adjust the standards downward to accommodate any lower cost area within its jurisdiction when locally developed cost data so indicate. Chicago, New York, Philadelphia, Los Angeles, San Francisco, and Seattle are allowed to adjust their annual OSC because the areas significantly exceed the National CPI average. In addition, statutory and regula-

*(Continued next column)*

## Housing in the Elections IL Advocates Host Candidates' Forum

As part of an effort to get housing on the national agenda, the Illinois Statewide Housing Action Coalition (SHAC) recently partnered with other economic justice groups to host a forum on housing, jobs, and poverty for candidates vying for the seat of retiring U.S. Senator Peter Fitzgerald (R).

The forum was held on November 18 in conjunction with SHAC's annual convention and drew a large and diverse crowd. Hosting the forum in Springfield as opposed to Chicago allowed candidates to come face-to-face with an audience and media that they do not typically see during primary elections, Bob Palmer of SHAC said.

All 12 of the candidates from both parties who had raised more than \$500,000 prior to the August 30 filing period were invited, and five—all Democrats—attended. Each attendee agreed that housing, jobs and poverty are all issues of concern to the citizens of Illinois that should be addressed by the federal government. Each also agreed that the current Administration's policies are leaning towards demolition of programs supporting housing jobs and poverty rather than working effectively to improve them. "I think attendance really showed the people in the audience who in this race care about housing, jobs and poverty," Mr. Palmer said.

Other organizations sponsoring the forum included the Chicago Jobs Council, the Chicago Rehab Network, the Illinois Community Action Association, Illinois People's Assembly/Illinois Coalition for Community Services, and Work, Welfare and Families.

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*(Continued from previous column)*

tory provisions in the FY03 Program SuperNOFA for Section 202 and Section 811 programs (as published in the Federal Register on April 25, 2003) are waived, and PRAC terms are reduced from 20 years to a minimum of 5 years. HUD anticipates that renewals will be approved subject to the availability of funds at the end of the contract terms. The directive expires December 31, 2004.

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

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tion of \$3.6 billion, which is an increase of \$26 million above the President's request and \$23 million above the FY03 funding level. PHAs would receive an additional \$10 million to assist in anti-crime activities through the U.S. Department of Justice. Conferees also retained language from the Senate bill directing HUD to reconvene the renegotiated rulemaking committee to propose formula changes to the way the public housing operating fund is distributed. HUD is directed to issue a final rule on the new formula by July 1, 2004.

Despite the Administration's attempt to zero out HOPE VI in FY04, the House allocated \$50 million and the Senate allocated \$195 million to the program. The conferees settled on \$150 million, significantly less than the \$570 million for the program last year. The funds will be available for the program through September 20, 2005. The program continues to receive bipartisan support and many believe that the program has been a success in several communities. Conferees did not adopt language that would have recaptured funds from uncompleted projects that were funded in FY97 or prior years. In the conference report, the conferees acknowledged that HUD continues to have the authority to recapture funds from grantees that are not fulfilling requirements. The conferees also directed HUD to submit a report to the appropriations committees by February 1 that includes an identification of oversight changes to the program and proposes alternative housing strategies to mitigate the impact of a recapture of funds on residents of failed HOPE VI projects.

The HOME production and rental assistance program would receive \$2.017 billion, more than the FY03 level of \$1.987 billion, but less than the President's request. The conferees included \$87.5 million for the Administration's American Dream Downpayment Fund, compared to a House proposal of \$125 million, a Senate proposal of \$50 million, and the Administration's \$200 million request. If the Act is enacted by April 15, the funds must be allocated based on the authorizing language. The Administration also requested a separate account for housing counseling, but the bill keeps housing counseling activities in the HOME program, funding the activities at \$40 million.

The Community Development Fund, which includes the Community Development Block Grant (CDBG) program, would receive \$4.950 billion. The CDBG program would receive \$4.356 billion, a decrease from both House and Senate allocations of \$4.5 billion.

Housing Opportunities for People With AIDS (HOPWA) would receive \$296.5 million under the omnibus bill. This funding level matches the President's request and is \$6 million higher than the FY03 level,

but under the House bill, the program would have received an additional \$5 million from an amendment offered by Representative Jerry Nadler (D-NY).

The Homeless Assistance Grants, which provides funding for programs under the McKinney-Vento Act (including the Shelter Plus Care program), would receive \$1.267 billion, less than both the President's request and the Senate allocation, but \$60 million more than FY03. The omnibus funding level raises the same concerns that the House level raised—that there may not be enough funding to fully fund renewals of all expiring Shelter Plus Care contracts while funding other programs. The conferee report acknowledges that it will cost \$194 million to renew expiring Shelter Plus Care contracts, but suggests that HUD fund all expiring contracts within the allocated \$1.2 billion, which ultimately means that there will be a cut in funding to other programs. Conferees retain language requiring that no less than 30% of the funds appropriated, except funds for the renewals of Shelter Plus Care contracts, be used for permanent housing. The conferees included language in their report that directs HUD to review the U.S. Interagency Council on Homelessness efforts to end long-term homelessness and to provide a report to Appropriations Committees no later than May 15, 2004, on recommendations to develop incentives or requirements under McKinney-Vento programs to address the issue.

The conferees accepted the House language to keep as separate line items the Section 202 (Elderly Housing) and Section 811 (Housing for People with Disabilities) programs, as opposed to the Senate bill and President's request to combined the two programs into one line item called "Housing for Special Populations." The conferees allocated \$778 million to the Section 202, the same as FY03. The conferee report directs HUD to conduct a capital assessment of stock and provide a report to the Appropriations Committees no later than August 15, 2004, on alternatives to address the long term needs of Section 202-assisted housing stock. The Section 811 program would receive \$251 million under the omnibus bill, the same as the proposed level in the House and Senate.

The conferees allocated the same as the House and Senate for the Rural Housing and Economic Development program, \$25 million. The Administration, as it has done for the past two years, requested that this program not be funded at all this year, but the program has considerable support. The Native American Housing Block Grant, which provides funding to Indian tribes and tribally designated entities to provide affordable housing in Native American communities, would be funded at \$654 million (up from \$645 million

*(See Capitol Hill on p. 5)*

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in FY03), which is less than the House and more than the Senate and the President's request.

Conferees also took the House and Senate funding level of \$25 million for the Brownfields Redevelopment program, which is intended to redevelop contaminated sites and provide jobs to low income people. The Administration requested that this program not be funded, saying it duplicates efforts of the Environmental Protection Agency.

Once again, Section 236 rental assistance funds that could be used to repair and preserve assisted housing would face rescissions under the omnibus, as they would under both the Senate and House bill. The proposed rescission would be \$303 million, on top of the \$100 million rescission in FY03.

The Lead Hazard Reduction fund received an allocation of \$175 million, level funding. This is \$39 million above the President's request. The conferees continue to recommend \$50 million for a lead hazard reduction demonstration program, which was established in FY03 to focus on urban areas where children are disproportionately at risk for lead poisoning. Funding for fair housing activities received \$48 million under the omnibus, a compromise between House (\$46 million) and Senate and Administration (\$50 million) levels.

### Rural Housing Sees Slight Increases

The omnibus FY04 appropriations bill was mostly good news for the Department of Agriculture's Rural Housing Service (RHS). Assuming that the bill is enacted, most USDA programs will see either level funding or slight increases. The biggest RHS boost is an increase of more than \$300 million for Section 502 single-family direct loans, which go to low and very low income families.

Section 521, the rural rental assistance program, will receive \$584 million in FY04, down from \$721 million in 2003. While this decrease is not really a cut, since the FY04 funds are for 4-year rather than the typical 5-year contracts, advocates warn that shorter contracts may mean a renewal problem. Over the years RHS has accumulated over \$700 million in unused rental assistance funds, and a new provision allows FY04 unexpended rental assistance balances to be used for debt reduction, maintenance, repair, preservation or new rental assistance.

Selected RHS funding levels in the bill include:

- \$1.366 billion for Section 502 single-family direct loans, up almost \$330 million.

- \$116.5 million for Section 515 rental housing, instead of a cut to \$71 million as proposed in the Administration's budget.
- \$35 million for Section 504 very low income repair loans, and \$32 million for 504 very low-income repair grants.
- \$43 million for Section 514 farm labor housing loans and \$18.7 million for 516 farm labor grants.
- \$34 million for Section 523 self-help housing grants.

—Thanks to the Housing Assistance Council (HAC) for this article. Details on funding levels are available in HAC's December 5 issue of HAC News, at [www.ruralhome.org/pubs/hacnews/index.htm](http://www.ruralhome.org/pubs/hacnews/index.htm).

### Senate American Dream Bill Passed; Includes HOPE VI Reauthorization

The Senate considered S. 811, the American Dream Downpayment Assistance Act, on November 24 and passed the measure after adding a provision reauthorizing the HOPE VI program through 2006. S. 811 has been sent back to the House of Representatives for final approval, which is expected when the House returns on December 9. Because the House and Senate held informal negotiations before the Senate vote, it is expected, but by no means certain, that the House will accept the measure.

H.R. 1276, the American Dream Bill, passed the House on October 1 (see October 3 *Memo*) and the Senate version was reported out of the Senate Banking Committee on October 15 (see October 17 *Memo*). Both measures are designed to help low income families move into homeownership by providing downpayment and closing cost assistance. The program would be administered under HUD's Home Investment Partnership Program (HOME).

S. 811 retained a number of amendments that were accepted in the Senate Banking Committee markup of the Act in October, including Senator Jack Reed's (D-RI) amendment that allows for 20% of the funds to be used for home repair including lead based paint removal, Senator Debbie Stabenow's (D-MI) amendment of the Living Equitability: Grandparents Aiding Children and Youth Act of 2003 (LEGACY) to provide housing assistance to grandparent-headed households, and Senator Jon Corzine's (D-NJ) amendment to increase the FHA multifamily loan limits.

The assistance available under the House bill is unlimited, but the Senate bill contains a provision that limits assistance to 6% of the purchase price of a single family home or \$10,000, whichever is greater. The for-

(See **Capitol Hill** on p. 7)

## Update from the Field States Focus on Employer Housing

Housing advocates in New Hampshire, Massachusetts and Minnesota have been working with local business communities to advance an agenda that links employers' workforce needs with the housing needs of those workers. Despite some recent setbacks, advocates with the New Hampshire Housing Forum and the Citizens Housing and Planning Association (CHAPA) in Massachusetts are pursuing housing legislation responsive to the needs of employers. In addition, HousingMinnesota, a campaign coordinated by the Minnesota Housing Partnership, recently teamed up with the Greater Twin Cities United Way and nine regional chambers of commerce to host a conference for business leaders to educate them about joining the effort to meet the housing needs of their employees.

**New Hampshire.** In response to a decision by the New Hampshire Supreme Court, *Britton v. Chester*, legislation has been introduced in the state Senate that would require municipalities to provide "reasonable and realistic opportunities for the siting of workforce housing." The legislation, S.B. 95, defines workforce housing as housing affordable to families with incomes of no more than 80% of area median income (AMI). In addition to requiring reasonable lot size and density requirements, the legislation also would provide a slightly expedited appeals process for the denial or restriction of workforce housing.

The bill passed the Senate but was gutted by a House committee due to the opposition of House leadership. A bipartisan group of House members, however, is committed to offering an amendment on the House floor that would restore and improve upon the Senate legislation.

In working for passage of the amendment, the New Hampshire Housing Forum is mounting a grassroots effort that includes businesses, housing and smart growth advocates, Realtors and homebuilders, religious organizations, and local governments. The bill should be considered when the state legislature comes back into session in January. "Getting the 400-person House to adopt a complex amendment on the floor is almost unprecedented," said Martha Yager of the Forum, "but we are hopeful that the growing sense among legislators that they need to do something will result in passage of a good bill."

**Massachusetts.** While legislation to support employer-assisted housing has also stalled in Massachusetts, Chris Norris of CHAPA said he believes the legislature will continue to pay attention to this issue. "Legisla-

tors are hearing from businesses that housing is a problem in recruiting workers," he said. Under the legislation, the state would provide \$1 for every \$2 in housing assistance given by an employer to employees, up to \$100,000 per employer and \$5 million overall. To be matched, the assistance provided by employers would be limited to employees with household incomes at or below 120% of AMI, with 50% of the assistance serving employees with household incomes at or below 80% of AMI.

The legislation, S. 698, had been attached to a broader economic development bill that passed the Senate. The employer-assisted housing provisions were knocked out of that broader bill, however, when it went to conference in mid-November. CHAPA and the Greater Boston Chamber of Commerce have been leading the effort to mobilize grassroots support for S. 698 and will continue to do so in 2004.

**Minnesota.** In Minnesota, a November 24 conference focused on employers' roles in supporting increased housing opportunities for workers. Called "Getting It Done: Workforce Housing in Minnesota," the conference attracted 200 business leaders, housing advocates and officials. The audience heard from Governor Tim Pawlenty (R) as well as Conrad Egan of the National Housing Conference, Tim Marx of the Minnesota Housing Finance Agency, and a panel of experts describing best practices in the state.

Mr. Egan provided a national perspective on the issue of housing for workers. Mr. Marx described the affordability challenges workers in Minnesota face and predicted that over the next decade, more than 32,000 households in the state could have housing needs that are not met by the private, public and nonprofit sectors. The panel outlined the varied ways in which employers could provide housing assistance to their workers. Chip Halbach of the Minnesota Housing Partnership said the conference was important for engaging Minnesota's business community. "Attendees were provided a rationale and encouragement for business support of a variety of housing initiatives," Mr. Halbach noted. Speaker presentations as well as a resource guide for employer-assisted housing are available at [www.housingminnesota.org](http://www.housingminnesota.org).

For more information:

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617-742-0820.

Chip Halbach, Minnesota Housing Partnership,  
651-649-1710.

## Resources

### Rethinking Local Affordable Housing Strategies

“Rethinking Local Affordable Housing Strategies: Lessons from 70 Years of Policy and Practice” was released earlier this month by The Brookings Institution and The Urban Institute. The report provides an overview of affordable housing policy history and trends in an attempt to help state and local leaders deal with the challenge of providing affordable housing.

The authors look at three broad approaches used to meet the goal of providing affordable housing: rental assistance, homeownership assistance, and regulatory policies. The effectiveness of these policies is assessed through a set of seven goals the authors: preserving and expanding the supply of good quality housing units, making existing housing more affordable and available, promoting racial and economic diversity, helping households build wealth, strengthening families, linking housing with supportive services, and promoting balanced metropolitan growth. The authors emphasize the importance of looking at this broad range of objectives in order to get a fuller sense of how effective various policies have been.

The report also gives an outline of policy principles that state and municipal governments should follow. The authors note the importance of tailoring programs to specific local conditions, working on a regional level to adequately provide affordable housing, and using regulatory methods to help achieve affordable housing goals. Also stressed are the significance of other issues such as income, race and program implementation, and how they must be addressed in order to successfully create affordable housing policy.

Given that the report covers so much ground, there is not much room for in-depth discussion of many programs or policies. For example, housing trust funds are mentioned only twice in passing, once in regards to homeownership programs, and again in regards to public-private partnerships being used to encourage balanced metropolitan-level growth.

As the report provides a good overview of housing policy over the past 70 years and discusses a number of policy objectives that the authors feel are important for creating a successful housing policy, it is especially useful in providing a general overview of historic trends in housing policy for those wanting to learn more about issues outside of their expertise. Additionally, the extensive bibliography will be helpful for those wanting to read more about specific topics. The report is available from [www.brook.edu/es/urban/housingreview.htm](http://www.brook.edu/es/urban/housingreview.htm).

## Fact of the Week

### Whom Do Housing Vouchers Help?

Families with Children	61%*
Disabled	15%
Elderly	16%
Other	8%

\*Figure includes disabled and elderly families with children; figures for disabled and elderly families exclude those with children.

Source: Center on Budget and Policy Priorities: “Introduction to the Housing Voucher Program.” [www.centeronbudget.org/5-15-03hous.htm](http://www.centeronbudget.org/5-15-03hous.htm).

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formula provision in the Senate version calls for participating jurisdictions to receive an allocation based on the percentage of low income households using the latest census data. The House version called for the Secretary of HUD to devise an allocation formula that considers a participating jurisdiction’s need for and prior commitment to assistance to homebuyers.

The reauthorization provision for HOPE VI that is now included in S. 811 reauthorizes the program through 2006. There are several new provisions in the Senate version. One that had been championed by Representative Maxine Waters (D-CA) requires the HUD Secretary to involve affected public housing residents at the beginning and during the planning process for the revitalization program. Another provision included in S. 811 was originally part of Representative Mel Watt’s (D-NC) HOPE VI bill, H.R. 1077, which revises the selection criteria for the HOPE VI program to include minimizing permanent displacement of current residents of public housing and prioritizing tenants of the existing developments to return to the revitalized development. The bill dropped language from the selection process directing HUD to consider how expeditiously the revitalization plan could be started and completed.

Also included was a provision authored by Representative Jim Leach (R-IA) that provides assistance to smaller communities in order to develop affordable housing for low income families in connection with a main street revitalization or redevelopment project.

Finally, the bill directs GAO to report to Congress regarding the extent of severely distressed public housing for elderly and persons with disabilities and propose recommendations for improving this type of housing through HOPE VI or through other measures.

## Bills at a Glance

Current information on legislation being tracked by NLIHC is available at <http://capwiz.com/nlihc/issues/bills/>.

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bers of Congress take up page after page of the bill in virtually every agency's appropriations. There are more than 950 in the HUD budget alone. Take a minute and see for yourself. (<http://thomas.loc.gov/cgi-bin/cpquery/T?&report=hr401&dbname=cp108&>).

If there is one thing the Bush Administration and I agree on, it is that earmarks are a bad way to distribute public funds. First, they are undemocratic. One has only to match up locations where these funds are going and who the powerful members of Congress are to understand the inequity of earmarks. Second, these are funds that federal agencies are directed to give to entities that have not had to demonstrate their competency to carry out the funded projects and are not more than minimally accountable for how the funds are used. Third, the burden of administering hundreds of small grants falls to agencies that do not have the resources to monitor their use even if they had the authority to hold the grantees accountable for how the funds are used. Fourth, despite all sorts of rhetoric that the use of federal funds should be directed by community consensus, earmarks can fund projects that may not even be needed in the community in question.

But the most insidious problem is that community groups and local governments that should be advocating for systemic policy improvements and more federal investment in domestic priorities overall are instead using their time to convince their elected officials to take care of their individual needs and, worse, may then be reluctant to critique their elected officials when they fail to support systemic change. To say it more directly, advocates can get bought off.

Earmarks are as old as government spending and are not likely to go away. But at least we could acknowledge the hypocrisy of elected officials who cite waste, fraud, and abuse as the rationale for curtailing federal spending and who tell us there are not enough funds to take care of critical needs, who all the while are doling out dollars to their hometowns without a hint of accountability to the taxpayers.



**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.

## NLIHC Interns

NLIHC is seeking legislative, outreach and research interns for the spring semester who are passionate about social justice issues and who have excellent writing and interpersonal skills.

Details 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.

## News & Events

### National Rural Development Conference

Join Rural Community Assistance Corporation (RCAC), Rural Community Assistance Program, Inc. (RCAP) and USDA-Rural Development in Portland for a National Rural Development Conference. The conference will be held March 22-24, 2004, in Portland, OR, and will feature more than 90 training sessions, including ones on rural and self-help housing, community development in Indian Country, agricultural worker health and housing programs, financing for rural communities and network development. For more information, call 916-447-9832 x279, or go to [www.rcac.org](http://www.rcac.org).

### Vote for NLIHC in Working Assets Donations Pool Today

Each year customers of the Working Assets phone company vote on how a share of the company's profits should be distributed. This year, NLIHC is one of 50 groups in the running for a share of the funds. There are three easy ways to vote for NLIHC: fill out the ballot that Working Assets includes in your phone bill; vote at [www.workingassets.com/voting](http://www.workingassets.com/voting); or call the voter hotline at 1800-920-VOTE. Voting ends December 31. Thanks for participating!

**National Low Income Housing Coalition  
Memo to Members  
December 5, 2003  
Vol. 8, No. 47**