

MEMO OF MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

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Housing in the 2004 Elections!

Register NOW for NLIHC Annual Conference on April 26-27

Increasing voting among low income people is the only way to assure their interests are represented in Washington. Public opinion analyst Celinda Lake, voter engagement expert Frances Fox Piven, and House Minority Whip Congressman Steny Hoyer (D-MD) are confirmed speakers at the NLIHC's annual housing policy conference and lobby day on April 26 and 27.

To register, and for the complete conference schedule, go to www.nlihc.org.

Capitol Hill

Budget Work Continues

Both the House and the Senate took action on the FY05 budget this week. On Friday, the Senate passed a \$2.36 trillion budget that holds discretionary spending to \$821 billion, \$2 billion lower than the President's request. The House has not completed work on its version of the budget, but it appears that the House version would fund discretionary spending at \$819 billion—lower than either the President's or the Senate's level.

Despite dismal funding levels, the Senate bill does contain a victory for social programs. Senator Max Baucus (D-MT) offered an amendment, which passed 53-43, removing language in the budget resolution that would have required the Finance Committee to cut mandatory spending by \$3.4 billion over the next five years. Senator Baucus's amendment also removed language in the bill that suggested \$14 billion in savings could come from cuts to the Medicaid and Earned Income Tax Credit (EITC) programs.

In addition, Senator Russ Feingold (D-WI) was successful in offering an amendment to reinstate the pay-as-you-go rule. The amendment would require that all tax cuts and entitlement spending increases be offset with revenue increases or spending cuts. Advocates prefer this version of pay-as-you-go to the original Senate version, which would have put limits on spending but not on tax cuts. Senator Feingold's amendment will make it difficult for tax cuts to pass in the future, as there would have to be 60-vote majority to override the pay-as-you-go requirement. However, the amendment is not expected to affect tax cuts planned for this year, such as the child tax credit or reform of the marriage tax credit.

Republicans defeated Senator Robert Byrd's (D-WV) amendment that would have increased discretionary domestic spending by \$11.2 billion and offset the cost with increased revenue. Another amendment, offered by Senator Edward Kennedy (D-MA) to increase education assistance for low income students by increasing spending on Pell Grants, was also defeated.

In the House, the Budget Committee held a markup of its Budget resolution on March 11. In his opening statement, Committee Chair Jim Nussle (R-IA) insisted that Congress must control spending, recommending that Congress freeze funding on unauthorized programs and not create any new mandatory or entitlement programs.

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POINT OF VIEW

by Sheila Crowley, President

There is some justice in the world. A General District Court judge in Richmond, VA, resigned from the bench in disgrace last week after his racist postings on the Internet were reported in the local press. The content of his Internet conversations on race is stunningly ugly. He is a white man who presided for 19 years over the entry level court for people arrested for any criminal offense in a city where the majority of residents are black.

I had my share of encounters with "Raging Ralph," as he was known among homeless people and their advocates in Richmond. He was particularly harsh in his judgments of people arrested for crimes like public camping, public intoxication, and public urination, charges that are particular to people without homes. He was unsympathetic to the needs of people with mental illness who were unlucky enough to land in his courtroom. And he *really* did not like homeless service providers. Besides summoning me to court more than once to yell at me, he tried to have our agency shut down (unsuccessfully). The several thousand people we served each year were all poor, and most were black.

The National Research Council has recently completed a three year study called *Measuring Racial Discrimination* in which a panel of scholars were asked to define racial discrimination, assess current ways of measuring it, and identify new methods of measurement. The scholars assert that unquestionably racial disparities are found in virtually every domain of American life, but that differences in outcomes between racial groups do not pro-

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NATIONAL LOW INCOME
HOUSING COALITION

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

Democrats on the committee criticized the budget for not doing more for social programs. Representative Lois Capps (D-CA) asserted that there is a “need for a reevaluation of our priorities and the policies of this Administration.” Members of the Committee also agreed that more needs to be done to reduce the deficit. Democrats and Republicans of the Committee delayed moving a budget bill to the floor in order to have more time to work on passage of pay-as-you-go legislation that would be similar to the Senate version.

The House Budget Committee is scheduled to resume debate of its version of the budget on March 17, at which time two amendments related to housing are expected to be offered. Representative John Lewis (D-GA) plans to offer an amendment to fund the HOPE VI program and Representative Artur Davis (D-GA) plans to offer an amendment to fund rural development programs.

Advocates Rally to Support Vouchers

The FY05 budget proposal for the Section 8 Housing Choice Voucher program continues to generate strong opposition both inside and outside Washington.

Notably in the past week, Governor New Jersey Governor James E. McGreevey (D) sent a letter to President Bush urging the President not to cut funding for affordable housing programs, with a specific emphasis on the voucher program. Governor McGreevey noted that 12,900 people recently applied for 50 available vouchers in the city of Paterson, NJ. He pointed out the \$1.66 billion cut for the program in FY05 would affect between 7,000 and 8,000 low income families in New Jersey, and he called the proposal to block grant the proposal “ill-conceived.”

The National Association of Realtors (NAR), having signed on to an earlier industry-generated letter, sent its own letter to HUD Acting Secretary Alphonso Jackson this week objecting to the funding level in the FY05 budget for the voucher program and expressing concern about the Flexible Voucher Program proposal. In particular, NAR criticized the manner in which public housing authorities (PHAs) would receive voucher funding, saying these changes will force state and local housing agencies to make difficult choices that will be harmful to the families who have vouchers. NAR also specifically expressed concern about the impact the Flexible Voucher Program will have on the Section 8 homeownership program.

In addition, advocates are supporting efforts by Senator Paul Sarbanes (D-MD) to circulate a sign-on letter among Senators that supports full funding of the voucher program and opposes the Flexible Voucher Program. A number of Senators, all Democrats, joined the letter this week, and advocates are working to encourage additional Senators to sign on. In the House, Representatives Nydia Velazquez (D-NY) and Jerrold Nadler (D-NY) are in the final stages of preparing a similar sign-on letter for circulation, and it appears that a few Republican House members might be interested in expressing their opposition in a letter as well.

Advocacy efforts will continue next week, with the Center for Budget and Policy Priorities holding a national press conference on March 17 to release new data showing the PHA-level effects of the President’s voucher proposal. Advocates from across the country are planning local releases; contact kim@nlihc.org for more information or to participate. And next week national advocacy organizations will send a letter to the Chairs of the Senate and House Appropriations Committees supporting full funding of the voucher program and opposing the Flexible Voucher Program. In addition, plans continue for a March 29 briefing for Senate staffers on the President’s proposal. An additional briefing for committee staffers has not yet been scheduled.

These activities will build on earlier advocacy: on March 1 and 2, NLIHC and other national organizations conducted call-in days encouraging members to call Congress to oppose the President’s voucher proposal. More than 1,000 calls were placed to Members offices, and more than 400 emails were sent.

Bills at a Glance

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

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.

HUD HUD Ignores Advocates in Composing Committee

HUD this week announced the final membership list for its negotiated rulemaking committee, the committee charged with developing a funding formula to distribute operating funds to public housing authorities (PHAs). On January 28, HUD had released a tentative membership list for a committee and solicited comments on the list. In their comments, advocates criticized HUD for not including adequate tenant representation on the committee, but the final list released this week does not reflect such concerns.

HUD made few changes to the list, adding just one additional PHA and one local tenant organization. With these additions, the committee now includes 16 PHAs, one local tenant organization, one statewide tenant organization and nine “other interests/policy groups,” including ultra-conservative low income housing commentator Howard Husock.

The list of committee members released this week represents a completely reconstituted version of the negotiated rulemaking committee. A committee that met from 1999 to 2000 disbanded after it could not adequately determine how much it costs to operate public housing, and when Congress ordered HUD to reconvene the committee, HUD called on new participants instead of reconvening original members. (NLIHC was a member of the original committee, but was not included on either the tentative list or the list released this week.) Members of the “new” committee also expressed concern about the committee’s composition. The Council of Large Public Housing Agencies (CLPHA) asserted in its comments that Congress intended for the original committee to resume work, and did not intend for HUD to create a new committee.

Members of Congress have also weighed in on the make-up of the committee. Representatives Barney Frank (D-CA) and Maxine Waters (D-CA), Ranking Members of the Financial Services Committee and the Housing and Community Opportunity Subcommittee, respectively, sent a letter to HUD requesting that the committee have adequate tenant representation. The letter specifically requested that NLIHC and other national organizations be included.

Advocates are also concerned that one member of the committee may have a conflict of interest. Greg Byrne

(See HUD on p. 6)

In Washington Fannie Mae Announces Affordable Housing Initiative

Fannie Mae announced the third and final phase of its ‘Expanding the American Dream Commitment’ this week. Partnering with the National Association of Home Builders (NAHB), Fannie Mae’s goal for the third phase of its multi-billion commitment is to expand the stock of housing affordable to working families and to assist in the revitalization or development of 1,000 communities. The plan calls for committing \$10 billion through 2010 for residential acquisition, development and construction financing, in underserved low and moderate income areas, and increasing by \$25 billion Fannie Mae’s existing pledge to finance multifamily housing. The investment will include the use of housing tax credits and the development of small multifamily properties.

A goal of this targeted revitalization is to expand so-called ‘workforce housing’ and increase the housing available for teachers, police officers, firefighters and other public servants. As part of this effort, Fannie Mae and NAHB will identify a community to serve as a laboratory to address these issues, and will then expand this model to other cities.

Fannie Mae Chair Frank Raines also announced that for the first time, Fannie Mae will focus on an initiative to help expand housing for people experiencing long-term homelessness. Fannie Mae plans to work with the National Alliance to End Homelessness and the Corporation for Supportive Housing in their efforts to create 150,000 units of permanent, supportive housing in communities that are mounting a revitalization effort.

This third phase will also focus on housing needs in rural areas and tribal lands. Part of the plan calls for increasing mortgage financing to low and moderate income borrowers in rural areas by 30% or \$30 billion over the next decade. Fannie Mae also plans to join with tribal leaders to create a new Native American Strategic Partnership to bring capital to Indian Country.

Previously announced phases include plans to expand access to homeownership and to preserve affordable housing. More information is available at www.fanniemae.com.

Housing in the Elections

Homeless Citizens Vote in NYC

More than 500 homeless men and women were registered to vote in New York's primary, and many showed up to vote on March 2. This jump in voting by people experiencing homelessness can be attributed in part to a nonpartisan homeless voter registration drive sponsored by The Partnership for the Homeless, whose aim is to help families and individuals make the successful transition from New York City streets to permanent housing, skilled jobs and self-sufficiency.

The Partnership points to the extreme disenfranchisement of the city's nearly 40,000 homeless citizens as its motivation to register, educate and mobilize these men and women to vote. "This drive will help give homeless people a voice and the voting power to hold elected officials accountable, especially for policies that directly affect them, such as affordable housing, health care, and living wage jobs," said Arnold S. Cohen, President and CEO of The Partnership.

The agency has been performing outreach to its clients in the city's 10 drop-in centers and to clients at several supportive housing programs and shelters since late January. Staff volunteers and clients are being trained to enroll prospective homeless voters and provide assistance to polling sites.

Of the more than 500 newly registered homeless voters in the city, more than 30% showed up to vote during the Democratic Primary, reflecting the turnout seen in the rest of the country, says Paige Sayle of the Partnership. Among those voting on March 2 were many elderly homeless men and women from Peter's Place, the Partnership's multi-service drop-in center for older adults, who could be seen going to the polls wearing buttons and carrying signs proclaiming, "End Homelessness. Vote!"

The march to the polls touched on one of the key components of the Partnership's yearlong plan to educate the city's homeless population about the importance of civic participation while educating the general public about homelessness issues. The voter education component of the campaign will focus on the rights of people experiencing homelessness to vote and historic elections that have been decided by a single vote.

In addition to simply voting, many of the newly registered voters signed up to work at polling places on Election Day, and many were called in to work. This opportunity not only helped people to play an even larger role in the civic process, but also allowed them to earn \$235.00 for the day's work.

*(See **Housing in the Elections** on p. 6)*

Update from the Field

FL Housing Trust Fund Threatened

Supporters of Florida's housing trust fund again find themselves on the defensive. Last year, housing advocates successfully fended off an effort to eliminate the housing trust fund, although state funding for the trust fund was cut. This year, Governor Jeb Bush (R) has proposed transferring \$167 million of the dedicated revenue stream intended for the housing trust fund to general revenue. Without this redirection by the Governor, \$360 million would be available for the trust fund. The Governor has also proposed eliminating the housing trust fund entirely by allowing trust fund legislation to sunset this year.

In 1992, the Florida legislature passed the Sadowski Act, which dedicated an increase in document recording stamps to state and local housing trust funds. Under the Sadowski Act, 70% of the funds generated for affordable housing are sent to local governments and 30% of the funds are allocated to the state. A broad and diverse coalition of organizations—including the state's realtors, bankers and homebuilders associations, as well as housing advocates and local governments—came together to pursue the passage of the Sadowski Act and has remained supportive of the housing trust fund. The Sadowski Act has served as a model for other states attempting to establish a dedicated source of funding for housing.

The Sadowski Act is due to sunset this year. Typically, trust funds in Florida would be reauthorized without fanfare or discussion. In light of the Governor's proposal to eliminate the fund, however, advocates have encouraged the state Senate to send a stronger message of support for the Act. The Senate is likely to pass reauthorization bills this week on the floor. The reauthorization legislation will then move to the House, where its fate is somewhat less certain.

Last year, the House passed a bill to eliminate the trust funds. The bill failed in the Senate. This year, however, the Speaker of the House, Representative Johnnie Byrd (R), has given indications that the House will support reauthorization. In the wake of last year's legislative session, Mr. Byrd appointed a Select Committee on Affordable Housing to provide a comprehensive review of the state's affordable housing programs. The Select Committee issued its report in early February, concluding that the Sadowski Act Housing Trust Funds "should be maintained in order to provide a stable and predictable revenue source that providers of affordable housing can depend on in order to effectively and efficiently plan future affordable housing strategies." If the House passes the legislation, it would then be sent to the Governor, who would have 15 days to veto it.

*(See **Update from the Field** on p. 5)*

National Housing Trust Fund Resources

Republican Cosponsors Send Letter to Colleagues

Five Republican cosponsors of National Housing Trust Fund legislation in the House have sent a letter to House Republicans who are not yet cosponsors of HR 1102, encouraging them to cosponsor the legislation. The letter was initiated by Representative Rob Simmons (CT) and was also signed by Representatives James Greenwood (PA), Christopher Shays (CT), John McHugh (NY), and Jack Quinn (NY).



The letter begins by citing NLIHC data showing that 95 million Americans have housing problems, and then discusses the need for a National Housing Trust Fund. “Those with housing difficulties are forced to occupy substandard dwellings, to choose between making house payments and paying for essentials, or to become homeless. These are choices that no one should be forced to confront. To break down some of the barriers to obtaining affordable housing, we encourage you to join us in cosponsoring H.R. 1102, the ‘National Affordable Housing Trust Fund Act,’” the letter states.

Advocates will be reinforcing the letter’s message with calls to the offices of Members who have received the letter. Currently, H.R. 1102 has 211 cosponsors, 15 of whom are Republicans.

In other news, the Bringing America Home Act, comprehensive legislation to end homelessness that includes a provision to create a National Housing Trust Fund, gained 3 new congressional sponsors this week. The cosponsorship of Representatives Maurice Hinchey (D-NY), Jerrold Nadler (D-NY), and Neil Abercrombie (D-HI) brings the total number of cosponsors of H.R. 2897 to 42.

Update...Field *(cont'd from p. 4)*

Even if the Governor were to sign the law and retreat from his threat of eliminating the housing trust funds, advocates would still have to contend with his proposal to redirect \$167 million of funding away from the housing trust funds. The Florida Housing Coalition has calculated that this money grab by the Governor would mean the loss of 11,000 new homes, more than \$1.3 billion in economic stimulus, and more than 25,000 jobs.

“Doing away with the state housing trust fund is fiscally irresponsible because housing is an economic engine,” said Jaimie Ross, Executive Director of 1000 Friends of Florida and President of the Florida Housing Coalition. “The elimination of the trust funds would be bad for Florida’s families and bad for the economy.”

Rural Seniors and Their Homes

Rural Seniors and Their Homes, a new report by the Housing Assistance Council (HAC), looks at the continuing growth of the nation’s elderly population and the special challenges faced by rural seniors. The report finds that despite housing satisfaction rates of 80% and high homeownership rates, rural seniors still face significant affordability problems.

While only 15% of the rural seniors rent their homes, these renters make up 21% of all households with worse-case needs in non-metro areas. One-quarter of the 5.8 million elderly non-metro households are rent burdened, a statistic that can be attributed to the relatively low incomes of seniors. More than 60% of non-metro senior households have incomes at or below 80% of the median income, and 95% of rural seniors depend on social security for their income.

Affordability problems are a particular concern for minority non-metro seniors, who are among the worst-housed group in the country. Rural seniors who are members of a minority are four times more likely than their white counterparts to experience inadequate housing conditions. Cost burden rates are especially high among non-metro elderly African American renters (67%) and rural senior women of all races who live alone (48%).

The HAC study uses the 1999 American Housing Survey (AHS) dataset to describe the characteristics and housing conditions of rural seniors. The first section looks at demographic trends among rural seniors, ranging from tenure to income to housing quality. The second section analyzes trends among rural elderly populations, focusing on needs, options, and available resources. Housing options discussed include assisted living, reverse mortgages, and government housing assistance. A summary discussion and data appendices are also included.

The study stresses the importance of access to a housing continuum for rural seniors so they can receive housing appropriate to their needs. Of special concern are the falling funding levels for government programs aimed at helping the rural elderly.

The report is available at www.ruralhome.org/pubs/elderlyreport/ruralseniors.pdf.

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

vide direct evidence of racial discrimination. "Because discriminatory behavior is rarely observed directly, researchers must infer its presence by trying to determine whether an observed adverse outcome would have been different had the individual been of a different race. In other words, ... what would have happened to a non-white person if he or she had been white?" (www.nap.edu, p.5).

Discrimination against the people we served at the agency where I worked in Richmond was rampant. But it was easy to get away with because it was our clients' homelessness or their poverty that other people objected to out loud. Our clients' economic circumstances provided an easy proxy for illegal forms of discrimination based on race or disability. Distinguishing between legal and illegal forms of discrimination against people who are poor is hard, making legal challenges to such discrimination difficult to argue. Nonetheless, it was always clear to me that anti-homeless sentiments our clients had to endure would have been much less virulent had the majority of them been white.

The challenge for social science is to figure out how to control for the economic variable in the analysis of differential treatment on the basis of race. One such approach is to build on the use of paired testers to study and document racial discrimination in housing by using paired testers with housing vouchers who are similar in all ways but race to study the extent to which landlord rejection of voucher holders is based on their status as voucher holders or on their race. The implications of such findings would be substantial for all spheres of American social life. Maybe we would not have to wait 19 years for someone who wields such power over the lives of poor people of color to be exposed as a racist.

Housing...Elections *(cont'd from p. 4)*

The Partnership plans to expand its drive to shelters, SROs, supportive housing facilities, soup kitchens and food pantries citywide. For more information, contact Cynthia Bydlinski at cbydlinski@pftth.org or 212-645-3444x508.

Fact of the Week

ELI Households and Available Units

The five states with the highest mismatch of extremely low income (ELI) households to affordable and available* apartments:

	Number of apartments affordable and available* to 100 ELI renter households	Change 1990- 2000**
CA	22	1
NV	26	-6
AZ	30	-4
OR	30	-3
FL	32	-4

*Apartments vacant or currently rented by an ELI household.

**Change may be related to changes in unit affordability and availability or in size of the ELI renter population over the decade, or both.

Source: NLIHC, 2004. *Losing Ground in the Best of Times: Low Income Renters in the 1990s*.

HUD *(cont'd from p. 3)*

is the author of the Harvard University study released in 2003 that attempts to determine how much it costs to run public housing. As the negotiated rulemaking committee is supposed to evaluate this study, advocates have expressed concern about Mr. Byrne's presence.

The first meeting of the negotiated rulemaking committee is scheduled for March 30 through April 1, and the second meeting is scheduled for April 13 through 15. Both hearings will be in Washington, DC. The FY04 Appropriations legislation gives HUD until July 1, 2004, to issue a final rule on an operating formula for PHAs.

The notice, FR-4874-N-04, can be found at www.hudclips.org. For background information, see the January 30 issue of *Memo*.



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About NLIHC: Established in 1974, the National Low Income Housing Coalition is dedicated solely to ending America's affordable housing crisis. NLIHC educates, organizes, and advocates to ensure decent, affordable housing within healthy neighborhoods for everyone. NLIHC provides up-to-date information, formulates policy, and educates the public on housing needs and the strategies for solutions.