

MEMO OF MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

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Housing in the 2004 Elections: NLIHC Annual Conference

Don't Miss This Conference!

Register Now for April 26 and 27 Sessions

NLIHC's 2004 annual housing policy conference and lobby day will kick off on Monday, April 26, with plenary sessions on housing in the 2004 elections.

The morning's keynote speaker, noted pollster and political analyst Celinda Lake, President of Lake Snell Perry & Associates (LSPA), will address the question of what Americans think about affordable housing. Few American pollsters have given this topic as much attention as Ms. Lake has. She will report on the current political environment, changing public attitudes toward social justice issues, and how housing fits into the mix. Most importantly, Ms. Lake will offer ideas about the reasons housing issues do not have a higher profile in the national debate and what advocates can do about it.

Following Ms. Lake, Stacey Davis Stewart, President and CEO of the Fannie Mae Foundation, Gene Ulm of Public Opinion Strategies and pollster for the National Realtors Association, and Danilo Pelletiere, NLIHC Research Director, will report the results of their respective organizations' polls and respond to Ms. Lake's presentation. Ms. Lake and the panelists will then answer audience questions.

The next plenary panel will focus on how affordable housing advocates, providers, and residents can make a difference in the 2004 elections. NaKeisha Sylver of Project Vote will discuss efforts at the national level to engage people with low incomes in the election process, and representatives of public and supportive housing will discuss their specific experiences in involving residents in the voter

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National Housing Trust Fund

5000th Endorser Joins Campaign!

The National Housing Trust Fund Campaign reached a major milestone this week. With the addition of several endorsements, more than 5,000 organizations, elected officials and religious leaders now support the National Housing Trust Fund Campaign. The steady growth of the campaign is an unprecedented and deep-rooted show of support for affordable housing production for the lowest income households.

Joseph House in Cincinnati, OH, was the 5000th organization to endorse. James Tracy from the Coalition on Homelessness in San Francisco and Donald Whitehead from the National Coalition for the Homeless in Washington, DC, were especially helpful in encouraging the last several organizations to join the campaign. A complete list of endorsers is at www.nhtf.org.

H.R. 1102, the legislation to create the National Housing Trust Fund in the House of Representatives, currently has 211 co-sponsors. S. 1411, the Senate version, currently has 6 co-sponsors. The National Housing Trust Fund will headline the lobby agenda at the NLIHC conference.

POINT OF VIEW

by Sheila Crowley, President

HUD officials are trying mightily to blame voucher holders who have incomes that are so low that they need vouchers for several years to defend their plans to cut voucher funding. But when HUD Secretary Alphonso Jackson explained the controversial proposal to cut the program by \$1.6 billion to a reporter in Dallas last week, he invoked the war in Iraq as the reason for belt tightening in domestic spending. I do not know which rationale is more insulting.

I do know that the notion that sacrifice is required of low income people to pay for the war is obscene. Who else is asked to sacrifice? Consider the following: The General Accounting Office reports that 63% of companies that do business in the United States paid no corporate income taxes between 1996 and 2000. The Commerce Department reports that the amount of taxes that corporation pay as a percentage of profits has shrunk from 33% in 2000 to 20.2% today. A study by the Syracuse University Transactional Records Access Clearinghouse shows that just .73% of business tax returns were audited by the IRS in the last fiscal year, down from 2.62% in 1997. A Treasury Department Inspector General report says the IRS is not collecting even back taxes from people who have been convicted of tax evasion. The Transportation bill that recently passed the U.S. House of Representatives included another \$12.8 billion in corporate tax cuts.

I object to the term "corporate welfare" only because it reinforces the pejorative connotation projected onto the word "wel-

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NATIONAL LOW INCOME
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Conference *(cont'd from p. 1)*

registration, education and mobilization process. Speakers include Maureen Dryer and Kim Ward of the Brattleboro Housing Authority in Vermont and Lisa Kuklinski and Raymond Parker of Lakefront Supportive Housing in Chicago (see article under Housing in the Elections for more on Lakefront's efforts). In addition, attorney John Pomeranz will provide legal guidance on what nonprofit, tax-exempt organizations can do during an election year.

Author and activist Frances Fox Piven will deliver the keynote address at lunch on Monday, April 26. She will address the importance of and potential for increasing political participation in low income communities. Dr. Piven is professor of Political Science and Sociology at The City University of New York, and a champion of increasing political participation in low income communities. She was instrumental in passage of the National Voter Registration Act of 1993, the "motor voter bill." Dr. Piven has also authored and coauthored a number of books, including *Why Americans Still Don't Vote: And Why Politicians Want It That Way* (2000).

After lunch, conference attendees will attend two sessions of workshops dealing with other current affordable housing issues. Workshop topics range from the National Housing Trust Fund, to current threats to the voucher program, to the overall budget picture.

An evening reception will include NLIHC's annual meeting and Member Congress. After the annual meeting, interested participants will hold an organizing meeting to create a national vouchers' holders organization.

On Tuesday, conference participants will take the affordable housing message to Capitol Hill. After a breakfast address by Representative Steny Hoyer (D-MD, Minority Whip), advocates will head to meetings with their Congressional delegations. In addition, several Members of Congress have agreed to meet with groups of advocates throughout the day at the United Methodist Building on Capitol Hill. Confirmed speakers include Representatives Barney Frank (D-MA), Julia Carson (D-IN), Artur Davis (D-AL), Ruben Hinojosa (D-TX), Jan Schakowsky (D-IL), Mel Watt (D-NC), and Robert Ney (R-OH).

NLIHC's 22nd Annual Housing Leadership Awards Reception is the finale to the conference on Tuesday evening. The Melville Charitable Trust and Mary Brooks of the Housing Trust Fund Project will be honored for their contributions to the progressive housing movement. Tickets for this event are separate and can be purchased at the door.

REGISTER NOW! The complete conference schedule and registration forms are available at <https://www.nlihc.org/conference.html>. And don't forget: the conference has been approved for 6.25 Continuing Education Units by the National Association of Social Workers. Call 202-662-1530 for more information.

Update from the Field

New Hampshire Advocate Recognized

Though she was too modest to tell staff at NLIHC, the *Concord (NH) Monitor* reported that Martha Yager received the New Hampshire Award to End Homelessness on April 1. Ms. Yager is coordinator of the Housing and Community Development Project of the American Friends Service Committee-New Hampshire. She is a leader in lobbying for affordable housing as head of the New Hampshire Housing Forum. Ms. Yager's organization collaborates with NLIHC as our state coalition partner in New Hampshire.

"Martha synthesizes housing information and research, acts as an educator, and serves as a coalition builder on housing issues," said Arnie Alpert, her colleague at AFSC. "Staff at non-profits, journalists, state legislators and state officials—they all rely on Martha to learn about the housing crisis and to know how to respond to policy debates at the state and federal level."

The New Hampshire Award to End Homelessness is given by Families in Transition, a Manchester-based organization. Ms. Yager was nominated for the award by State Senator Sylvia Larsen. The announcement of the award noted that Ms. Yager's work "has most definitely made a difference in assisting people overcome the challenges brought on by homelessness."

True to form, Ms. Yager did not cease to be an advocate when accepting the award. In her acceptance speech, she talked about the current threats to the voucher program because of the Administration's Flexible Voucher proposal and insufficient budget request, and she urged members of the audience to contact New Hampshire's Congressional delegation.

Ms. Yager was also very active in bringing housing needs to the attention of the candidates in the run-up to the New Hampshire Presidential primary.

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.

Capitol Hill

Budget Process to Resume

The House and Senate will resume negotiations on a budget resolution when they return to Washington the week of April 19. Congress adjourned for spring recess before reaching agreement on the budget resolution, with House and Senate negotiations stalled over the controversial pay-as-you-go provision.

Democrats and moderate Republicans support the Senate version of pay-as-you go, in which both tax cuts and increases in entitlement spending would have to be paid for by other spending cuts or an increase in taxes. The House version of the budget resolution does not include a pay-as-you-go provision. (The House plans to consider by Memorial Day a spending enforcement bill, the Spending Enforcement Act of 2004, that would limit spending but not tax cuts for the next five years.) House Leadership and the White House support the House version of a budget resolution because of concern that the Senate version would impede the enactment of additional tax cuts.

Republicans including Senators Olympia Snowe (R-ME) and John McCain (R-AZ) have said they will not vote on a budget resolution that does not include a pay-as-you-go provision that will affect both tax cuts and spending. Meanwhile, the White House has sent a message that it will not approve a budget resolution that threatens future tax cuts.

There may be a compromise in which the Senate would operate under a comprehensive pay-as-you-go rule, but the House would not. Regardless of whether the Senate adopts a pay-as-you-go provision, however, the three tax cuts scheduled to be extended this year, including the child care tax cut, are expected to be continued.

The conferees want to reach a compromise and complete their work on the budget by April 23. Advocates have sent letters to their Senators and Representatives urging them not to accept any budget that would force Appropriators to cut spending on integral social programs, including housing, and that would allow further tax cuts without offsets. Advocates can also join a sign-on letter being circulated by the Coalition on Human Needs; more information is at www.nlihc.org.

Debate Continues on Future of Vouchers

While Congress has been in recess, housing voucher advocacy continues full strength with local advocates meeting with Members in their home districts and DC-

based advocates pressing the case on the Hill against the Administration's Flexible Voucher proposal and cuts to vouchers in the FY05 budget. Reports are that there are serious concerns about the Flexible Voucher block grant and that Members of Congress agree that the Administration has underfunded housing vouchers in HUD's FY05 request, and the funding gap needs to be closed. At the same time, the need for reform to get a handle on rising costs is frequently reported. Media reports that are generally negative about the Administration's plans are appearing in large and small newspapers across the country.

Rationales for the block granting of vouchers and cutting voucher funds also surfaced in the media last week. Appropriations Committee Member John Sweeney (R-NY) defended the cuts in the name of deficit reduction in an article that appeared in the *Independent*, a paper that serves the Hudson Valley in New York. "Discretionary funds must be allocated in conjunction with other priorities," he says. "This proposed budget reflects the size of national deficit." Meanwhile, HUD Secretary Alphonso Jackson defended the administration's plan to revamp Section 8 back in his first visit his hometown of Dallas. According to a report in the *Dallas Morning News*, Mr. Jackson said that the rising cost of the voucher program could not be sustained in a "wartime budget." He also repeated the rationale used frequently by Assistant Secretary Michael Liu that the poor people were staying on vouchers too long, "tying up vouchers that higher-income people could shed more quickly, once they save enough to buy a home of their own."

When the House returns on April 20, Representatives Nydia Velasquez (D-NY) and Gerald Nadler (D-N) are expected to circulate a sign-on letter addressed to House appropriators asking for full funding of the Section 8 program and objecting to the Flexible Voucher Program.

Native American Housing Field Hearing Scheduled

The House Financial Services' Housing and Community Opportunity Subcommittee will hold a field hearing titled "Improving Housing Opportunities for Native Americans" on Monday, May 3 at 12 pm at the Greyhills Academy High School auditorium in Tuba City, AZ, on the western portion of the Navajo Reservation.

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/>.

HUD

HUD's Interpretation of FY04 Voucher Formula Leaves PHAs Short

HUD's implementation of the renewal formula from the FY04 appropriations bill for the voucher program will leave public housing authorities short funds needed to cover the costs of all vouchers currently in use. HUD has not issued a formal announcement yet, but it is expected that HUD will not reimburse PHAs for actual voucher costs in FY04. Instead, HUD is expected to issue payments based on the number of vouchers under lease on August 1, 2003, adjusted for inflation. Such a change would result in a reduced voucher level.

NLIHC and other housing organizations sent a letter to HUD Secretary Alphonso Jackson on April 9 expressing concern that such a change in reimbursements will not provide sufficient funds for PHAs to support the current number of voucher-assisted families under lease. The letter went on to say that HUD's interpretation will affect numerous families by requiring them to unexpectedly pay more income for rent, and would likely result in the loss of vouchers to existing families.

Problems with FY04 voucher funding are under the spotlight in Massachusetts where up to 3,700 families and individuals risk losing their housing assistance. Governor Mitt Romney (R) wrote to Mr. Jackson stating that HUD's interpretation of the renewal formula for FY04 threatens to seriously affect Massachusetts' ability to meet the needs of those currently receiving vouchers. He asserted that the change in policy would mean a \$3 million gap in Section 8 funds, and that the state will be faced with few options other than the termination of existing voucher clients. He urged Mr. Jackson to prevent this crisis from occurring.

More than 2,000 people showed up at the Massachusetts State House on April 16 for a hearing before the Department of Housing and Community Development on the FY04 voucher funding crisis. Cindy Rowe of the Citizens' Housing and Planning Association (CHAPA) reports state troopers had to "shut down the building," as it was over capacity a half hour before the hearing began. Testimony went on for more than four hours. Representative Barney Frank (D-MA), the Ranking Member of the House Financial Service Committee, criticized HUD's plan as another attempt by the Bush Administration to kill the Section 8 program. "Since taking office, the Bush Administration has made a series of policy decisions that appear designed to dismantle the Section 8 program one piece at a time," Mr. Frank said. "In a nation that is as wealthy and powerful as ours it is morally unacceptable and

outrageous for low income and working poor families to lack affordable housing."

The *Boston Globe* reported on April 17 that HUD will release \$2.6 million to the state to deal with the short-fall, \$2 million of which will come from the Moving to Work Program, and \$600,000 of which will come from the mainstream voucher program. Mr. Frank called the solution short-term, and the Department of Housing and Community Development said vouchers could still be lost.

The crisis in Massachusetts echoes what happened with the Housing Authority of the City of Los Angeles earlier this month, where HUD threatened to put housing authority into receivership over funding shortfalls in their voucher program (see *Memo*, April 2).

HUD Deputy Secretary Confirmation Hearing Scheduled

The Senate Banking, Housing, and Urban Affairs Committee will hold a hearing to consider the nomination of Assistant Secretary Roy Bernardi as Deputy Secretary on April 21 at 2 pm in Dirksen Senate Office Building Room 538. Mr. Bernardi is currently Assistant Secretary for Community Planning and Development. During the hearing, the Committee will also consider the nominations of Dennis Shea for the position of Assistant Secretary of Policy Development and Research, and Cathy MacFarlane for the position of Assistant Secretary of Public Affairs.

In related news, the *Washington Post* reports that the first Assistant Secretary for Policy Development and Research in the Bush Administration, Alberto Trevino, is being investigated on fraud charges. Mr. Trevino left HUD in September 2003. The *Post* reports that HUD has filed suit against Mr. Trevino and an unidentified contractor for filing fraudulent expense reports. HUD is seeking to reclaim more than \$50,000.

HUD Celebrates CDBG 30th Anniversary

April 12-18 was proclaimed Community Development Week by HUD Assistant Secretary for Community Planning and Development Roy Bernardi. This year marks the 30th anniversary of the 1974 Housing and Community Development Act, which created the Community Development Block Grant (CDBG) program. "CDBG's greatest strength...is its approach to solving problems through a locally driven, citizen participation process," Mr. Bernardi wrote in a declaration honoring the program released this week. The Offices of Community Development and Planning and Public Affairs and Administration have released an anniversary

(See HUD on p. 5)

Housing in the Elections Most Lakefront Residents Get to the Polls

Residents at Lakefront Supportive Housing—a supportive housing group committed to ending homelessness by advocating for and providing quality permanent supportive housing for adults and families who are homeless or at-risk of becoming homeless—understand that the issues topping the Senate’s agenda after November 2004 could have a lot to do with how many of their neighbors in Lakefront’s nine buildings in five Chicago neighborhoods become registered and turnout to vote on Election Day.

With Republican Senator Peter Fitzgerald retiring and a highly competitive race between State Senator Barack Obama (D) and Investment Banker Jack Ryan (R) playing out across the state right now, it is possible that Illinois—and specifically Lakefront’s residents—could be the determining factor in which party gets to lay out the Senate’s agenda for at least the next two years.

While low income people tend to be significantly less likely to vote than people with higher incomes, this is not the case at Lakefront, where more than 75% of residents vote. The percentages are so high that residents of several of Lakefront’s nine buildings have been able to get the city to designate their buildings as polling places.

The Tenant Leadership Department at Lakefront Supportive Housing began its Civic Participation Project three years ago for three reasons: First, voting leads to positive change. Second, politicians pay more attention to the issues of people who vote, and third, when politicians see that the Lakefront Buildings have high turnout they are more likely to respond to needs of tenants, staff and the organization.

The Civic Participation Project is run almost entirely by the tenant leadership guild, which is made up of representatives from each of the buildings owned by Lakefront. Each building is responsible for coming up with its own civic engagement plan to meet Lakefront’s goals for the overall project.

While no two projects will look alike, each building’s leaders have worked over the years to create plans that meet all of the goals they have set for themselves. Among those goals is the almost unprecedented goal of registering 75% of eligible voters living in the units. Not only did each building meet and pass its goal in the 2003 citywide election, Lakefront collectively outperformed the general population’s turnout by 86%.

Yet the Civic Participation Project is not just about voting. “Registration, education, and mobilization provides a first step or early victory towards actively engaging tenants in the process of developing and changing the structures that affect their lives,” said Lisa Kuklinski, a staff member at Lakefront.

Both Ms. Kuklinski and Raymond Parker, a tenant and member of the Leadership Guild, will present on the successes of their Civic Participation Program during the plenary session at NLIHC’s annual policy conference on April 26.

For more information on Lakefront Supportive Housing’s Civic Participation Project, contact Lisa Kuklinski at LKuklinski@lakefront.org or 773-561-0900 x277. For more information on NLIHC’s voter registration, education and mobilization project, visit www.nlihc.org/vrem or contact Katie Fisher at Katie@nlihc.org or 202-662-1530 x222.

HUD *(cont'd from p. 4)*

video, narrated by Mr. Bernardi. “It is an honor for my tenure to coincide with this significant milestone in the history of the CDBG program,” he said.

Community development agencies across the nation are being nominated for recognition for the program’s achievements. Nominated agencies will showcase the program’s accomplishments at a September conference that will celebrate the program’s 30-year anniversary.

The press release and video are available at www.hud.gov/offices/cpd/communitydevelopment/cdweek.cfm.

Loss Mitigation Rule Proposed

On April 14, HUD issued a press release announcing a proposed rule that would triple the amount HUD can fine a FHA lender that does not help to prevent a foreclosure on a home, otherwise known as loss mitigation.

HUD defines failure to engage in loss mitigation as a lender’s failure to evaluate a loan for loss mitigation before four full monthly mortgage installments are due and unpaid, or to determine which, if any, loss mitigation techniques are appropriate and take appropriate loss mitigation actions. Loss mitigation techniques include forbearance procedures and pre-foreclosure sales.

HUD is “working to ensure that every qualifying FHA borrower is afforded the opportunity to explore all options to keep their homes,” HUD Secretary Alphonso Jackson said in a press release.

The proposed rule, FR 4553-P-02, can be found at www.hudclips.org.

Resources

Demand for Affordable Apartmts Strong

A research note (#04-01) released by NLIHC this week adds further empirical weight to the argument that current softness in the national rental market is unlikely to translate into lower rents for the lowest income households or reduced costs for rent subsidy programs. Demand for new low rent units continues to be strong, outstripping that for higher cost units nationally and in most regions. The demand for larger apartments, particularly in the lower rent brackets is particularly great. While this report focuses on newly constructed units, the data is likely indicative of demand in the entire rental market, particularly in the lowest rent bracket where the habitability of older, nominally for-rent units is often questioned. www.nlihc.org/research

Census Offers Housing Data Brochure

The Census Bureau has released a brochure focused primarily on introducing users to the American Housing Survey (AHS). "Housing Data Between the Censuses: The American Housing Survey" gives an introduction to the AHS and also provides links to and quick descriptions of other available housing data sources.

The AHS is a survey of housing units that looks at how specific units change over time. The brochure explains how the AHS is conducted, and also contains information on how the AHS breaks down into national and metropolitan area level surveys. It also includes a list and survey dates for the metropolitan areas studied as well as information on how to obtain AHS data and reports.

The brochure briefly covers other housing data sources from the Census as well. These range from such major undertakings as the Decennial Census and the American Community Survey, to lesser-known surveys such as the Residential Finance Survey. Current housing and construction reports are also listed. These include data on new housing construction, new housing characteristics, and market absorption (as discussed in the research note above).

This brochure serves as a succinct primer to Census housing data, and will be helpful as a background resource for those wanting to look at available housing research. Advocates can order the brochure from the US Census Bureau or download it online at www.census.gov/prod/2004pubs/ahsr04-1.pdf.

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

fare," when the general welfare should be seen as both a common good and a common responsibility. But if ordinary taxpayers really wrapped their minds around how much their tax dollars subsidize so-called private enterprise in the United States, the outrage would be deafening. If ordinary taxpayers were asked to choose between housing assistance for low wage workers, the elderly and people with disabilities and tax breaks for big business, they would support public assistance for the poor over public subsidies for profit-making companies any day.


For Congress to even consider cutting \$1.6 billion from the voucher program when it is giving away the treasury to corporate America shows how far out of touch they are with the American public.

Fact of the Week

Who Receives the Tax Benefits of Homeownership?

Taxpayers by Income	Percent Mortgage and Property Tax Deductions Received
Bottom 80%	21.5%
Next 15%	47.0%
Top 5%	35.5%

Source: Corporation for Enterprise Development, *Hidden in Plain Sight*, Spring 2004.



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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.