

# MEMO OF MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

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## SPECIAL REPORT

### **FY04 VOUCHER FUNDING CRISIS - WEEK 4**

#### **Still No Word from HUD; Members of Congress Keep Pushing for Solution**

The repercussions of the April 22 HUD notice altering the renewal formula for vouchers in FY04 continues to cause confusion and concern with advocates, Members of Congress, and the private sector.

As reported last week, Representative Barney Frank (D-MA) has introduced H.R. 4263 to rectify the situation. The bill would amend the FY04 VA-HUD Appropriations Act to satisfy Congress' stated intention that Section 8 vouchers would be fully funded based upon a housing agency's actual per-unit cost in the prior quarter, adjusted by inflation. Mr. Frank's bill now has 85 cosponsors. This week, the National Association of Home Builders and 11 other organizations (including NLIHC) sent a letter to Members of Congress urging support of the Frank bill. "We urge you to support H.R. 4263 to help protect thousands of elderly, disabled and hard working families and individuals from losing their housing," the letter states.

Other Members of Congress are taking action as well. Acknowledging the influence of Representative VA-HUD Subcommittee Chair Jim Walsh (R-NY) in determining the situation's outcome, fellow New York Representatives Nydia Velasquez (D) and Peter King (R) will be circulating a letter to the rest of the New York House delegation urging HUD to withdraw its notice and to use the funding and discretion Congress provided the agency to serve as many eligible families as possible.

In a May 11 statement in the Congressional Record, Senator Patrick Leahy (D-VT) expressed his "extreme disappointment with the Administration's recent announcement on FY04 Section 8 voucher renewals that threaten to end a long-standing commitment to fully funding all Section 8 vouchers in use." Senator Jim Jeffords (I-VT) also spoke out in the Senate on the issue. "We have all heard of the war on poverty, but I fear that 40 years after that war began, there is a new war

(See **Vouchers** on p. 2)

## National Housing Trust Fund

### **Senator Clinton Joins NHTF Bill**

On May 10, Senator Hillary Rodham Clinton (D-NY) became the 7<sup>th</sup> cosponsor of National Housing Trust Fund legislation in the Senate (S. 1411). A full list of cosponsors for both the Senate and House bills is at [www.nhtf.org](http://www.nhtf.org). Thanks to the National Student Campaign Against Hunger and Homelessness and many New York state advocates who helped to urge Senator Clinton to join the bill.

### **NLIHC Conference Evaluation Forms Now Available Online**

Conference evaluation forms and lobby visit forms for NLIHC's April conference are now available at [www.nlihc.org/evaluation.htm](http://www.nlihc.org/evaluation.htm). Please take the time to give us feedback on our conference and report on any meetings you may have had with your Congressional delegation. And if you have any conference or rally photos you'd like to share, please email them to [conference@nlihc.org](mailto:conference@nlihc.org). Thank you!

## POINT OF VIEW

by Sheila Crowley, President

The 1954 U.S. Supreme Court decision in *Brown v. Board of Education* is one of the most transformative events in American history, outlawing segregation by race in the United States and marking the beginning of the modern civil rights movement. Commemorations of the 50<sup>th</sup> anniversary of the *Brown* decision that are underway across the country are both uplifting and sobering in the assessment of what has transpired in the last half century of our search for racial equality. The dominant narrative is that *Brown* changed just about everything in American public life, but has not achieved that which was most desired - a society in which each person is judged solely on merit.

An event of such consequence is known by all, but experienced by individuals with remarkable variation. The way I experienced racial integration as a white person was shaped by liberal parents and an education that was enriched by our mobility as a military family. But the more powerful lens through which I know *Brown* is that of a parent of school age children in the 1970s and 80s in Richmond, VA.

The history of massive resistance to *Brown* in Virginia, led by the editors of the editorial page of the *Richmond News Leader*, is well-known. The Virginia legislature was unable to stop desegregation by legal means, but the exodus of legions of white families from the City of Richmond to the suburbs and the failure of the courts to uphold cross jurisdictional school con-

(See **Point of View** on p.9)



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## Vouchers *(cont'd from p. 1)*

afoot...a war on people in poverty,” Senator Jeffords said. “The latest assault in this war threatens to leave thousands of people homeless. I am speaking about the Bush Administration’s plan to make substantial changes in the way our government helps the poorest citizens secure housing.”

Minority Leader Tom Daschle (D-SD) and Senator Jack Reed (D-RI) continue to gather signatures on a letter to HUD Secretary Alphonso Jackson objecting to the April 22 notice. The letter points out that Roy Bernardi, nominee to be Deputy Secretary at HUD, testified that there is enough funding for the voucher program and has assured the Senate that no family would lose assistance.

The impact in the private sector is beginning to surface. Boston Private Bank, which was in the process of creating a home mortgage product based on the Section 8 homeownership program, has decided not to create it at this time because of the recent HUD notice on FY04 funding. Not only has the bank indicated that it has stopped working on such new products, but it is reevaluating whether it can finance affordable housing developments that rely on the Section 8 voucher program.

HUD did not make any official announcements the week of May 10 on the FY04 issue. It has been reported, however, that HUD is trying to locate funds from FY03 that could be used to bridge the shortfall caused, as HUD contends, by the FY04 appropriations language. Industry representatives have asked HUD to supply a spreadsheet so housing authorities can calculate their funding needs based on the April 22 notice. HUD officials had indicated that they would produce such a spreadsheet, but nothing has been offered to date.

HUD officials will have to produce some answers next week, however, as a “HUD Oversight” hearing has been scheduled for the full Financial Services Committee at 10 am Thursday, May 20. Secretary Jackson is expected to testify.

Advocates also continue to work on the FY05 voucher funding and programmatic restructuring issues. The bipartisan letter circulated by Ms. Velazquez and her colleagues (see *Memo*, May 7) on the FY05 Section 8 budget issues currently has 140 signatures, including 13 Republicans.

## Capitol Hill

### Budget Seems Unlikely

Budget conferees continue to be deadlocked on the pay-as-you-go provision that would require offsets for both tax cuts and increases in entitlement spending. Senate moderates, including Olympia Snowe (R-ME) and Susan Collins (R-ME), continue to resist supporting any proposal that does not include pay-as-you-go.

Advocates believe that at this point, not having a budget resolution might be positive, as without a budget resolution, lawmakers will have a more difficult time passing future tax cuts. Included in both the Senate and House versions of the budget resolution is language allowing tax cuts to be passed in reconciliation bills, meaning they would need just 51 votes to pass the Senate, and there would be limited debate.

The goal was to have budget work completed before Congress begins its Memorial Day recess May 21. It does not appear likely that a compromise will be reached before the adjournment.

Therefore, the House leadership will not be able to keep its promise to vote on a budget spending bill before the recess. In March, Representative Jim Nussle (R-IA), Chair of the Budget Committee, introduced a budget enforcement bill, the Spending Control Act of 2004, and promised Members they would have an opportunity to vote on the bill before the Memorial Day recess. The bill includes a pay-as-you-go provision that requires increases in entitlement spending to be offset, but does not require tax cuts to be offset. The bill also imposes five-year caps on discretionary spending. There are at least two other versions of budget enforcement bills, introduced by Representatives Jeb Hensarling (R-TX) and Mark Kirk (R-IL).

Each bill concerns advocates. Each caps entitlement spending at 2005 levels with adjustments for inflation and growth in participants in the program. There is also a statutory cap on discretionary spending for nine years in each bill. Advocates are contacting their members of Congress to urge them not to vote for any version of these budget enforcement bills.

By law appropriators can begin their work on May 14 if there is no budget resolution. House Appropriations Chair Representative Bill Young (R-FL) has already met with subcommittee chairs to discuss allocations to each subcommittee. It is unclear when subcommittees would actually start working on appropriations bills, but the goal is to have bills through both sub- and full committees by the August recess.

*(See Capitol Hill on p. 3)*

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

### Native American Field Hearing Highlights Need

The Housing and Community Opportunity Subcommittee of the House Financial Services Committee held a field hearing on Monday, May 3, titled "Improving Housing Opportunities for Native Americans," on the Navajo Nation reservation in Arizona. At the hearing, tribal representatives and advocates, government officials, and representatives of the financial industry testified about the current housing crisis facing Native Americans, current federal funding needs, and positive steps being taken to address the housing problems of Native Americans. Representatives Bob Ney (R-OH) and Maxine Waters (D-CA), subcommittee chair and ranking member, respectively, attended the hearing, as did Utah Representatives Rick Renzi (R) and Jim Matheson (D).

Testimony from Native American representatives focused on the current housing situation on reservations, including descriptions of the struggles to provide adequate housing and what current programs were working. Joe Shirley, Jr., President of the Navajo Nation, told the subcommittee that almost 32% of Navajo homes lack plumbing, 28% lack kitchen facilities, and 60% lack telephone service. The Navajo Nation also estimates a need for up to 30,000 new housing units. Mr. Shirley also expressed opposition to recent HUD policy decisions that he said will cause a reduction of up to \$5 million annually in Indian Housing Block Grants to the Navajo Nation and the Navajo Housing Authority.

Kathleen Kitcheyan, Chairwoman of the San Carlos Apache, provided subcommittee members with photos documenting the condition of housing on the San Carlos Reservation. "There are two critical needs relating to housing on the Reservation," Ms. Kitcheyan said. "One, a severe housing shortage, and two, severely inadequate utility infrastructure. These inadequacies create unsafe and unsanitary conditions." Ms. Kitcheyan also noted the 76% unemployment rate on the reservation. She further stressed the need for more funding and provision of affordable housing, noting that 39% of families live in substandard housing and 40% of families live in overcrowded conditions. Members of other tribes told similar stories portraying severe housing problems on the reservations.

Fannie Mae and the other financial institutions testified about programs at work on the Reservations. Pattye Green of Fannie Mae highlighted new mortgage products and programs that Fannie Mae is delivering to the reservations to work to increase the 33% homeownership rate in Indian Country.

Mr. Russell Sossamon of the National American Indian Housing Council expressed disappointment over the President's lack of funding for the IHBG in the FY05 Budget, citing a need for at least \$1 billion more than was recommended. Mr. Sossamon also highlighted NAIHC's own "Housing First for First Americans" campaign, with a goal of facilitating development of 100,000 units of housing for Native Americans over 10 years, with 50% of the money going to rehabilitation and renovation.

According to NAIHC reports, members of the subcommittee committed to meet with the Bureau of Indian Affairs to discuss the issues and obstacles brought up at the hearing. The full text of testimonies, including photos, charts, statistics, and graphs, can be found online at <http://financialservices.house.gov/hearings.asp?formmode=detail&hearing=294&comm=5>.

### New Legislation

On May 12, Representative Steven LaTourette (R-OH) introduced H.R. 4353. The bill would require the Secretary of HUD to allow a Section 236 property, East Crown Apartments in Akron, OH, to get out of its Housing Assistance Payment contract in order to convert the units into market-based units. The East Crown Apartment is a 108-unit apartment building. The bill requires a conversion of funding that was originally provided to the units through project-based vouchers to tenant based vouchers. The bill does not require the tenant-based vouchers to be enhanced vouchers, which is usually the type of vouchers families receive when a property leaves a federally assisted program. Enhanced vouchers allow families to stay in the original units for as long as they want, with the voucher continuing to pay the difference between reasonable rent and 30% of the tenants' incomes. The bill has been referred to the House Financial Services Committee.

### 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. Information is available at [www.nlihc.org](http://www.nlihc.org).

## HUD Neg-Reg Deliberations Continue

The Public Housing Operating Fund negotiated rulemaking (Neg-Reg) committee met in Atlanta May 11 and 12 to finish uncompleted business on determining an operating fund formula for public housing authorities (PHAs) and to vote on language for a final rule. Prior to the meetings, HUD issued language for an “interim rule” for the committee members to review. HUD deemed the interim rule confidential and only committee members were allowed to see it. The committee hoped to complete all of its work during these last two meetings; however, that did not happen, and the committee will have to meet again in the near future.

Participants in the meetings have reported that many of the changes recommended by HUD would drastically cut funding to PHAs and would adversely affect tenants. For example, HUD has offered a proposal that would allow the operating fund to subsidize only occupied units. After much argument from PHAs, HUD “compromised” and agreed to allow a subsidy for some vacancies, but not for units used for resident services. This issue was not resolved over the two-day period in Atlanta.

As reported in previous issues of *Memo*, HUD has also proposed moving PHAs to project-based management within five years after the release of the rule. During the first few years, HUD would estimate the expenses and incomes of each individual project, sum the total of all the projects, and give PHAs one lump sum for each of the projects. Within five years of the release of the rule, however, all PHAs would receive funds for each project, and each project would have to have its own budget.

Language remains in the proposal that would incentivize PHAs to increase rents by allowing them to raise rents and keep the difference in income above what was collected in FY04 (See *Memo*, April 23). Advocates remain worried that this change would encourage PHAs to favor the higher income families on public housing waiting lists, or to evict lower income families for minor lease violations.

It is unclear when HUD will convene the next meetings, but the agency remains under a July 1 deadline to release a final rule for the public housing operating fund formula.

In related news, Representative Eliot Engel (D-NY) is circulating a sign-on letter on public housing asking for an increase in the capital fund and operating fund.

The letter would go to the Chair and Ranking Member of the VA-HUD appropriations subcommittee, Representatives James Walsh (R-NY) and David Obey (D-WI), respectively. To date, 57 Democrats have signed the letter, and advocates are urging additional Members to join as well.

## NLIHC, Others Respond to Project-Based Voucher Proposed Rule

Advocacy organizations are submitting comments to HUD in response to an inadequate proposed rule on the project-based voucher program. The proposed rule, issued March 18, seeks to implement comprehensive regulations for the project-based voucher program whereby tenant-based housing choice vouchers can be project-based into specific housing developments or units.

NLIHC has signed on to two sets of comments, one led by the Technical Assistance Collaborative and one by the Center on Budget and Policy Priorities. A major issue discussed in both letters is HUD’s proposed cap on the number of units with project-based assistance allowed in each building. Currently, no more than 25% of all units in a building can receive project-based voucher assistance. In a rulemaking leap, HUD is proposing a 25% cap on any type of federal assistance, theoretically including vouchers, mortgage and production subsidies. By limiting the number of assisted units allowed in any building, such a change could undermine efforts to project-base vouchers for preservation, supportive housing and affordable housing in general. The letters’ recommendation is to simply delete the reference to “other federal project-based assistance.” This would clarify statutory intent to have the 25% cap cover project-based vouchers and not other forms of project-based assistance.

One exception in HUD’s proposed change to the 25% cap is for units receiving supportive services through the Family Self-Sufficiency program; these units would be exempt from the 25% cap. As advocates point out in the sign-on letters, however, permanent supportive housing assists more than just FSS families and not all agencies operate FSS programs. Additionally, advocates point out that funding for the FSS program has been shrinking in real terms for the last several years, making it difficult for any agency to initiate or expand an FSS program. In addition, both letters suggest a much broader definition of supportive services. To comply with civil rights laws, advocates also suggest that qualifying disabled families’ participation in supportive services offered by the property must be voluntary.

(See HUD on p. 5)

## Housing in the Elections

### Much Remains to Do to Prepare for Nov.

The debacle of the 2000 elections, in which many low income and minority voters were disenfranchised, spurred the development of various initiatives to improve the voting process of the United States. Last week, two organizations that have been at the forefront on voting rights held separate events to discuss how far states have come, and how far remains to go.

On May 6, the Election Assistance Commission (EAC) held its first daylong hearing since it was authorized in 2002. EAC is an independent bipartisan agency, authorized by the Help America Vote Act of 2002 (HAVA) to serve as "...a national clearinghouse and resource for the comparison of information" on various matters involving the administration of Federal elections. The hearing focused on the present status of computerized electronic voting systems in America, including technology, vendors, election administration, research and advocacy organizations.

"The EAC will be investigating all major voting technologies...it is only starting with e-voting, and it isn't ending there," EAC Chair DeForest Soaries said following the hearing. The commissioners expect to hold additional hearings on e-voting, optical scanning, and other types of voting devices.

The EAC hearing was preceded by the National Coalition on Black Civic Participation's (NCBCP) second annual Spirit of Democracy Symposium, titled "Election 2004: Are We Ready?" The symposium focused on looking behind the 2004 primary elections to gauge whether the country is ready for the November elections. Much of the symposium and the hearing were focused on the benefits and downfalls of using the electronic voting machines. The general consensus is that there is still much research needed on these machines' accuracy and reliability before November.

The Symposium opened with a keynote address from Gracia Hillman, EAC's vice chair, who discussed EAC's efforts to ensure the accuracy of the new voting machines. "At the end of the day, we just want to make certain that voters can go to the polls with complete confidence that their vote is going to be counted and counted accurately," Ms. Hillman said.

She added that local advocates have a responsibility to go to their local election administrators to get an understanding of how the voting equipment works so they can relay that information to voters in their communities. Ms. Hillman also challenged advocates to volunteer locally to be an election judge, to help en-

*(Continued next column)*

## HUD *(Cont. from p.4)*

Advocates have also raised other concerns about the proposed rule that are addressed in the comment letters. These include provisions advocates believe will hinder private landlord participation in the project-based voucher program and suggestions to remedy them, and restrictions on using project-based vouchers in public housing. In several areas, advocates suggest additions for the final project-based rule. These include language regarding lease requirements, project size limits for buildings or projects serving qualified disabled families, and guidance regarding over-income tenants.

The proposed rule (FR-4636-P-01) can be found at [www.hudclips.org](http://www.hudclips.org).

## The Administration

### RHS Administrator Becomes CDFI Dir.

The Department of Treasury announced May 10 that Art Garcia has been appointed the new Director of the Community Development Financial Institutions Fund (CDFI). Before being appointed to his new position, Mr. Garcia was the Administrator of the Rural Housing Service (RHS) at the U.S. Department of Agriculture (USDA).

Mr. Garcia will "oversee the expansion of access to capital and financial services in critically under-served urban, rural and Native American communities, where one of the biggest obstacles to economic development is a lack of access to mainstream sources of private sector capital," a Treasury press release said.

The new acting Administrator for RHS is James Alsop. Prior to this appointment, Mr. Alsop served as Assistant Administrator for Community Programs at USDA.

*(Continued from previous column)*

sure no one is turned away at his or her precinct.

The keynote was followed by a panel of experts and practitioners who discussed ongoing efforts by the civil rights community's coordinated effort to prevent Election Day irregularities. Know Your Rights/Election Protection (KYREP), a group whose mission is to facilitate information sharing for coalition members, a national voting rights hotline staffed by lawyers and law students, and state-based voters' bill of rights prepared by legal experts.

For more information on the NCBCP, visit [www.bigvote.org/index1.htm](http://www.bigvote.org/index1.htm). For more information on EAC, visit [www.eac.gov](http://www.eac.gov). More information on voting rights is available at [www.nlihc.org/vrem](http://www.nlihc.org/vrem).

## Update from the Field Preservation Bill Waiting for IL Governor's Signature

A bill that would improve the opportunities to preserve federally assisted housing in Illinois has unanimously passed the state's House and Senate. Now, the Chicago Rehab Network (CRN) and other advocates are strongly urging Governor Rod Blagojevich (D) to sign S.B. 2329.

The bill, which passed the House on March 25 and the Senate on April 27, would amend existing law. As amended, the Federally Assisted Housing Preservation Act would ensure that tenants of federally assisted housing and local government and housing agency officials receive 12 months' notice of the potential sale, prepayment of an assisted mortgage, or expiration or early termination of participation in a federal housing subsidy program or affordability restrictions under the Low Income Housing Tax Credit program. In addition, a tenant association, working in collaboration with a non-profit or private purchaser, would have the opportunity to purchase its building and preserve its affordability.

According to CRN, S.B. 2329 improves on existing law because it:

- Expands building eligibility to include buildings financed with federal low income housing tax credits, Section 8 subsidies, and various HUD mortgage insurance programs.
- Increases the number of situations in which owners of assisted housing must give tenants notice and extends that notice period from 6 months to 12 months.
- Grants tenant associations the ability to partner with non-profit development agencies or other private parties to make the preservation purchases.

CRN has done extensive research on the state's federally assisted housing, and has found that the affordability restrictions on 33,000 units of Illinois' 68,269 units of federally assisted rental housing will expire by 2009. In Chicago alone, CRN found that 18,000 units are at risk of being lost to as affordable housing stock. Meanwhile, CRN reports that 2000 census data shows 800,000 households in Illinois are cost-burdened, making the preservation of the state's affordable housing stock crucial.

CRN is hopeful that Governor Blagojevich will sign S.B. 2329 into law. Given the Governor's recent raid on the state's housing trust fund, however, CRN is taking nothing for granted and is encouraging its members and other advocates to contact the Governor's office to urge him to sign the bill.

In a letter to the Governor, CRN Executive Director Kevin Jackson notes the importance of saving the state's federally assisted housing. "Public dollars were invested in Illinois communities and we risk losing more government invested dollars with every unit lost," Mr. Jackson wrote. "Legislation like S.B. 2329 sets public policy to create the opportunities to preserve these scarce affordable rental units."

For more information: Gené Moreno, CRN, 312-663-3936.

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## News & Events

### GSE Forum

The National Community Capital Association (NCCA) is hosting a policy forum, "Mission Matters: New Directions for GSEs," on Wednesday, May 19, from 9 am to 3 pm at the Capitol Hill Holiday Inn in Washington, DC. The forum will feature remarks from Edward M. Gramlich of the Federal Reserve Board of Governors. In addition, two panels will concentrate on removing the barriers to linking GSEs with community investment. Pending legislation to set aside a portion of the GSEs profits for affordable housing production will be included in the discussion. The registration form is available at NCCA's website at [www.communitycapital.org](http://www.communitycapital.org).

### National Housing Conference 2004 Awards

The National Housing Conference (NHC) will hold its 2004 Housing Person of the Year Award Dinner at the National Building Museum in Washington, DC on June 9. This year's honoree is Angelo R. Mozilo, chairman and CEO of Countrywide Financial Corp. According to NHC, Countrywide's House America affordable lending program, initiated in 1992, has provided more than \$245 billion in residential financing to minorities, low income borrowers, and individuals in underserved communities. The initiative aims to fund \$600 billion in home loans through 2010. For more information on the Award Dinner and to RSVP, visit NHC's homepage at [www.nhc.org](http://www.nhc.org).

On June 10, NHC will hold a Policy Symposium exclusively for dinner attendees and will release a new issue of NHC Affordable Housing Policy Review, which focuses on private-sector participation in affordable housing and community development related activities.

## Resources

### Where Do Housing Production Subsidies Work?

Under what circumstances and for what households are supply-side (production) subsidies for low income housing most effective or even necessary? This question has gained increasing emphasis, as the prevailing policy view—and the nation’s housing subsidies—have migrated away from production to the demand-side of the subsidized housing market (vouchers). A recent and useful report from HUD, carried out by Abt Associates, sums up the theoretical considerations of such a question and reviews the limited empirical evidence in the academic and professional literature. The report also, based on the findings, proposes several “planning screens” for making decisions on targeting production subsidies.

After a brief introduction to rental housing economics, the paper looks at the literature on where the most acute housing needs are found, relying heavily on HUD’s own worst case housing needs reports. Not surprisingly, the conclusion is that the worst housing needs are found among the poorest households, those with disabilities, those with an elderly member, and those located in the West and Northeast and metropolitan areas generally.

The next section of the report looks at where vouchers are most effective, the explicit assumption being that production subsidies may be most effective where vouchers are not. According to the literature, vouchers have the lowest success rates for large households, for elderly households in urban areas, tight housing markets, and in areas where income discrimination is not explicitly barred. The report also looks at where vouchers and other demand-side subsidies have negative impacts.

The analysis of production subsidies is similarly split into two parts: where such subsidies are most effective, and where they are least effective. The conclusions are that they are least effective in places where the market works well (perhaps a little tautological as a conclusion), and where they may crowd out private investment. They are likely to work best, the report finds, for populations requiring special needs, in distressed neighborhoods, as a means of relocating low income units in high income neighborhoods, and as a means of preserving low income housing in areas with tight markets and gentrifying neighborhoods.

In light of the current policy environment, one potential weaknesses of the review, or more likely a weak-

ness of the literature on which it is based, is that there is no explicit recognition of the interaction between the rental and the homeownership markets and, more importantly, between low income rental and homeownership subsidies. Homeownership subsidies to people at all income levels are clearly a factor in determining the current supply of rental housing, the dynamics of the stock, and the demand for it. Homeownership subsidies also likely have a differential impact on rental markets across households and housing markets. This is particularly important to recognize as low income homeownership subsidies become explicitly pitted against support of rental housing.

Still, a review of the literature is useful not only for what it says about what we know but also about what we do not know. In many areas, the authors find some consensus opinion but little strong evidence to support (or refute) theory and expectations. The primary conclusions of the report are, not surprisingly, for more research in these areas to fill in the gaps in our understanding. For this reason, however, the authors’ proposed “planning screens” for local and state officials deciding about subsidized housing production, while interesting to consider, appear somewhat premature.

The full report can be found at [www.huduser.org/publications/polleg/HsgPrdSubs.html](http://www.huduser.org/publications/polleg/HsgPrdSubs.html).

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## Fact of the Week

### Children in Low Income Families

The percentage of children living in low-income families, as of 2002:

- 42% of infants/toddlers—4.8 million—live in low income families (2.2 million in poverty)
- 40% of preschool children—3.2 million (1.4 million in poverty)
- 40% of kindergarteners—1.5 million (0.6 million in poverty)
- 38% of school-age children—10.5 million (4.6 million in poverty)
- 32% of adolescents—6.2 million (2.4 million in poverty)

Low Income is defined as twice the national poverty standard.

Source: Tabulations of the Current Population Survey, March supplement 2002. National Center for Children in Poverty (2004) *Low-Income Children in the United States*. [www.nccp.org/pub\\_cpf04.html](http://www.nccp.org/pub_cpf04.html).

## NLIHC News

### State Partners Win Fellowships

Bill Faith, NLIHC Board Chair and Director of the Coalition on Homelessness and Housing in Ohio, and Jaimie Ross, past NLIHC board member and Affordable Housing Director of 1000 Friends of Florida, have been named James A. Johnson Community Fellows. A program of the Fannie Mae Foundation, the fellowship provides leaders in the housing and community development fields with the opportunity to pursue personal and professional development goals. Fellows were honored this week during a special ceremony in Washington, DC.

In his year as a fellow, Mr. Faith will explore how to make state coalitions stronger and more effective, including by examining best practices. He will also spend special time with his family, and get away for a time of solitude. "It's a once-in-a-lifetime opportunity," he said. "I only wish that more people who helped us accomplish all we've been able to do would get to have this opportunity as well."

Ms. Ross has said she plans to identify private industry developers who have had positive interactions with inclusionary zoning laws.

This is the third year in a row that NLIHC state partners have been selected as Johnson fellows. Aaron Gornstein, Director of the Citizens' Housing and Planning Association, Inc., in Massachusetts, was a 2003 fellow, and Jan Breidenbach, Director of the Southern California Association of Non-Profit Housing, was a 2002 fellow.

The James A. Johnson Community Fellows Program was created in 1998 to honor Mr. Johnson, a former Fannie Mae Foundation Chair and Fannie Mae Chair and CEO. Other fellows are Lee Beaulac, Rural Opportunities, Inc., Rochester, NY; Bruce Gottschall, Neighborhood Housing Services of Chicago; Manny Gauna, Chicanos Por La Causa, Phoenix, AZ; and Sharon Lee, Low Income Housing Institute, Seattle, WA.

"It's good to see the Fannie Mae Foundation is recognizing so many good advocates, in addition to practitioners," Mr. Faith said. "Most of the people this year have really made their mark largely as good advocates."

### New Staff

Linda Couch has rejoined the National Low Income Housing Coalition staff as Deputy Director. Linda is assuming a range of job duties, including primary responsibility for supervising NLIHC's DC policy work with both the Hill and the Administration.

After more than five years at NLIHC in the 1990s, Linda comes back to us from the American Association of Homes and Services for the Aging where she was a Senior Legislative Representative. Her work there focused on securing adequate appropriations levels for housing and services related to federally subsidized senior housing. Linda attended George Washington University and received her Masters in Public Administration from the University of Connecticut.

Linda can be reached at [linda@nlihc.org](mailto:linda@nlihc.org) or at 202-662-1530 x228. Welcome, Linda!

### New Intern

Cheryl Jackson has joined the staff as an outreach intern. Originally from West Virginia, Cheryl received her bachelor's degree in 2003 from the University of Baltimore. She is currently working on a dual degree—an MS in negotiation and conflict management and a JD—at the University of Baltimore. Cheryl is a wife and a mother of two. She reports that she comes to the Coalition because she has been at the poverty level, and because she lives in an area of Baltimore with serious housing issues. Welcome, Cheryl!

## New Members!

NLIHC welcomes the following new and renewing members who joined in March 2004:

Arlington Street People's Assistance Network, VA  
 Blackland Community Development Corporation, TX  
 Center For Social Policy McCormack Institute, MA  
 Central Virginia Housing Coalition, VA  
 Community Action, OR  
 Davidson Housing Coalition, NC  
 Emerald Development and Economic Network, OH  
 Franciscan Center, MD  
 Franklin County Housing and Redevelopment Authority, MA  
 Housing Enterprise of Central Alabama, AL  
 Interfaith Council for Homeless Families of Morris County, NJ  
 Jubilee Housing of New Mexico, NM  
 Lutheran Social Service of Southern California, CA  
 McAuley Village, RI  
 National Housing Law Project, CA  
 North Carolina Synod Office of Advocacy Ministry, NC  
 NYC Public Housing Resident Alliance, NY  
 Oregon Food Bank, OR  
 Project Woman, OH  
 RCAP Solutions, MA  
 Sacramento Loaves and Fishes, CA  
 Southeastern Appalachian Rural Alliance, WV  
 Southwest Visions, Inc., MD  
 United Congregations of Metro-East, IL  
 Wayne County Housing Coalition, OH  
 YWCA of Titusville, PA  
 William Abbott, MA  
 Ahmed Said Bani, MN  
 William Breakey, MD  
 Sylvia Brennan, DC  
 Janet Byrd, OR  
 Lisa Christie, NH  
 Chandra Clark, MN  
 Herb Cooper-Levy, VA  
 Carol Crawford, OR  
 Abeni J. Crooms, NY  
 Diana Cyganovich, OH  
 Joanna Duke, TX  
 Patricia Gabel, CA  
 Mozelle Galvan, OH  
 Dana Gamblin, OH  
 Sr. Bette Gambonini, CA  
 The Honorable Jack Hatch, IA  
 Rabbi Seth M. Limmer, NY  
 Chris McElroy, CO  
 Jennifer Bigelow McGovern, CA  
 Maria Teresa Meyer, MD  
 Donald Miles, MD  
 James Nordlund, KS  
 Veronica Oliver, DE  
 Jean Patricia Paquet, NY

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

solidation had the same effect – almost.

My experience and that of my children in this turbulent environment was such that I feel very lucky that we landed in Richmond in this period of American history. As powerful as the segregationists were, they had the effect of mobilizing people of good will who sought racial reconciliation. Galvanizing leadership came from A. Linwood Holton, who took office in 1970 as the first Republican Governor of Virginia since Reconstruction. Although they had the choice to send their children to any schools in the region, the Holtons, who are white, sent their four children to the Richmond Public Schools (RPS) to which they would be assigned based on their address the Governor's Mansion. A famous image of the school integration is a photo that appeared in the *New York Times* of Governor Holton walking his daughter to Kennedy High School, one of the black schools, on the first day of school. Mrs. Holton took the younger children to their schools, which were also predominately black. The Holtons set the standard for elected officials to demonstrate their commitment to public education and integration. Governor Charles Robb's children (LBJ's granddaughters) attended RPS in the 1980s.

In the 1970s, many families, black and white, who wanted to make integration work, came together to make the schools work for our children. Model schools were created with high levels of parental in-

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David and Laura Pels, CT  
 William Root, MD  
 Ernest Smith, MI  
 Craig Stanley, MD  
 Richard and Anita Stoll, MD  
 Robert Strauss, NH

### National Low Income Housing Coalition Memo to Members May 14, 2004 Vol. 9, No. 19



**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.

involvement, forming deep bonds across racial lines. More important, our children thrived educationally and socially. When my children went to college and were in the racial majority for the first time in their lives, they were stunned by the racism expressed by white classmates from suburban schools. They were also well equipped to confront it.

In 1975, when my oldest daughter started kindergarten, white children comprised 21% of the students attending RPS. Despite the best efforts of so many parents and educators, by 1990, when my younger child graduated from high school, the percent of white children had dropped below 12%. Conventional wisdom is that integration failed in the Richmond Public Schools. But the quest for integration did not fail the children who were part of it. These kids are the hope for the future and the possibility that the 100<sup>th</sup> anniversary of *Brown* will be a celebration that we have achieved its promise.