

MEMO OF MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

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SPECIAL REPORT

FY04 VOUCHER FUNDING CRISIS – WEEK 11

HUD Releases Appeals Guidelines

HUD has finally posted the guidelines under which housing authorities can appeal the annual adjustment factor (AAF) being used to determine how much funding each agency receives for its Section 8 housing voucher programs. The appeals are necessary because many housing authorities are facing shortfalls since the April 22 announcement by HUD of changes to the manner in which housing vouchers are funded. Instead of funding housing authorities based on the actual current costs of vouchers, HUD is providing funding equal to the amount a housing authority received in August 2003, plus the adjustment factor. In many cases, the AAF has been inadequate to meet current costs.

In general, appeals must be based on issues that are beyond PHAs' control, including rent increases that have exceeded the AAF, increases in utility costs, and additional expenses related to higher costs for portable vouchers. Not included as a reason for making an appeal is a decline in tenants' incomes. However, the guidelines allow PHAs to submit evidence based on this and other factors at their discretion. In no case will HUD consider an appeal for costs incurred through overleasing.

Appeals must be received at HUD by July 15. The agency says it will review and respond to each appeal in writing no later than August 31. The release of the guidelines is regarded as a positive move by the department, but it remains unclear what the real impact of the appeals process will be.

A copy of HUD's guidance can be found at www.hud.gov/offices/pih/programs/hcv/aafappealguidance.pdf.

(See *Vouchers* on p. 2)

Capitol Hill

Senate Subcommittee Poised to Act on FY05 HUD Approps

The Senate VA-HUD appropriations subcommittee may skirt normal, open procedures and report out its FY05 HUD appropriations bill by the obscure method of "polling" subcommittee members. In polling, a very few (one to three) copies of the bill would be available in the Committee office for subcommittee members and their staff to review and take notes on. They will not be given copies of the bill or be allowed to remove the review copies from the Committee office. Then, after 24 to 48 hours, staff would have to return to the Committee office and record their member's consent or opposition to the bill. If agreed upon, the bill would move to the full committee for consideration. It is unlikely that Senators will be able to know the entire contents of the bill before having to vote on it, much less have the opportunity to amend it.

Making the process even more convoluted, it is possible that the bill may skip full committee consideration as well, and instead be taken up by the FY05 defense appropriations bill conference committee. Senate Appropriations Chairman Ted Stevens (R-AK) has made clear he wants bills moving, and these unusual maneuverings would help accomplish his goals.

(See *Capitol Hill* on p. 2)

POINT OF VIEW

by Sheila Crowley, President

Sheila Crowley is on annual leave. *Point of View* will resume next week.

Remember NLIHC During the Combined Federal Campaign

Please keep NLIHC in mind during the 2004 Combined Federal Campaign, which will begin soon. Our CFC number is 0828.

Housing in the Elections NLIHC Reaching Out to Presidential Campaigns

As part of its education and outreach efforts, NLIHC will contact the campaigns of President George Bush and Senator John Kerry (D-MA) during the week of July 5 to urge them to consider the issue of rental housing for people with low incomes in their campaigns.

In addition, the Campaign for Housing and Community Development Funding, which includes NLIHC as well as most other national organizations concerned with housing and community development, is sending the presidential candidates an eight-question questionnaire soliciting their views on housing and community development issues. Responses will be posted once they are received.

Under IRS guidelines, 501(c)(3) organizations are permitted to educate candidates on issues. Contact information for the campaigns is at www.johnkerry.com/contact/ or www.georgewbush.com/ContactUs/.

(See *Housing...Elections* on p. 5)



NATIONAL LOW INCOME
HOUSING COALITION

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

Organizations Continue to Petition HUD. More Minnesota organizations voiced strong concerns about the impact of the April 22 notice on the state's PHAs. Letters to HUD Secretary Alphonso Jackson from both the League of Minnesota Cities (LMC) and the Minnesota Housing Finance Agency (MHFA) urge HUD to provide relief to housing authorities from the impact of the April 22 notice. Both groups report that HFAs as well as PHAs have implemented creative efforts to avoid cancellation of vouchers currently held by families who would otherwise face rent increases beyond their means and, ultimately, the prospect of homelessness. But both groups assert that HUD needs to do more. Specifically, the Minnesota HFA urges HUD to take several actions to allow PHAs to continue to operate quality Section 8 programs, including replenishing program reserves and providing relief to originating PHAs to mitigate the burden of funding portable vouchers being used in higher cost areas. The LMC also calls on HUD to replenish program reserves in full, and cites the commitment by Governor Tom Pawlenty (R) to help HUD develop reasonable changes to the Section 8 program.

Secretary Jackson also received a letter from Salt Lake City Council Chair Jill Remington Love who wrote, "We are writing to make you aware of a matter that seriously threatens the ability of the Housing Authority of Salt Lake City to continue to meet the needs of those receiving Section 8 housing vouchers." The letter cited the many hardships that the housing authority would have to undertake because of their funding shortfall, including reducing payment standards to 95% and laying off two Section 8 employees, both actions would bring harm to the voucher program. The Council requests that Mr. Jackson do everything in his power to restore the funding needed to provide housing for those most in need.

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

The House VA-HUD appropriations subcommittee is expected to act on its bill during the week of July 19 via the normal mark-up process.

There is no word from either the House or the Senate as to funding levels or other content that might be in either bill, but advocates continue to press for full funding of vouchers and other programs. The AARP has written a letter to the chairs and ranking members of the House and Senate appropriations subcommittees expressing concern that the President's proposed funding levels for the voucher program in FY05 could lead to serious problems for senior housing programs.

AARP points out that while Section 8 is important for low income working families, it also plays a critical role for elderly renters living on fixed incomes. The letter urges Senators Kit Bond (R-MO) and Barbara Mikulski (D-MD), and Representatives Jim Walsh (R-NY) and Alan Mollohan (D-WVA) to reject the President's proposed FY05 budget for Section 8 and provide an additional \$1.6 billion in order to fully fund all currently authorized vouchers.

President Signs TANF Extension

On July 1, President Bush signed several bills into law that extend important federal programs, including Temporary Assistance to Needy Families (TANF). Congress had passed the TANF extension before leaving for the July 4 break. The law extends TANF until September 30, 2004 (see *Memo*, June 25).

Bills Would Amend Community Service Requirements

"I would hope that Congress and the broader public take a second, deeper look at the notion of punishing, humiliating, or singling out public housing residents as if the fact of residing in public housing connotes that public housing residents are somehow living off society, and therefore, need to be coerced into 'giving back'," Representative Gregory Meeks (D-NY) said June 21 on the steps of New York City Hall as he announced that he would be introducing two pieces of legislation affecting the community service requirement for people living in public housing. The bills would amend the community service requirements of the Quality Housing and Work Responsibility Act of 1998.

The two bills, H.R. 4737 and H.R. 4738, were introduced on June 25 and referred to the House Financial Services Committee. H.R. 4737 provides additional exemptions from the community service requirement for a public housing resident. New exemptions would include those residents 60 years and older, pregnant women beyond their second trimester, residents with a child under five years old, victims of reported domestic violence, the non-working parent in a two-parent household with a child or children under 13 where the other parent is employed full time, and individuals in a family receiving assistance funded under the Food Stamp program.

The second bill, H.R. 4738, eliminates the eight-hour community service requirement from statute. Instead, the bill would require public housing authorities (PHAs) to implement a community service encouragement program. Participants who complete at least eight

(See Capitol Hill on p. 3)

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

hours of community service within approved activities certified by the administering PHA would be given priority consideration for participation in PHA-sponsored job training and educational programs.

Mr. Meeks said he introduced these bills as a way to “create an incentive for community service and curtail the unfair dimensions of the community service requirement.” As a previous resident of public housing, Mr. Meeks said he hopes that his amendments will help eliminate the negative stereotypes often attributed to people living in public housing, as well as the resentment felt by public housing residents at being forced to perform community service as a stipulation of having a place to live. In his closing remarks, Mr. Meeks asked of the audience what a resident of public housing recently asked of him: “Why stop at people who live in public housing? Lots of people get federal subsidies, including corporations. Why aren’t they also being forced to do community service?”

Sweat Equity Bill Passes House

On June 21, the House passed H.R. 4363, the Helping Hands for Homeownership Act of 2004. The legislation, introduced May 13 by Representative Mark Green (R-WI), makes a technical correction to the Housing Opportunity Program Extension Act of 1996. The bill permits families who receive homes from groups such as Habitat for Humanity to fulfill the “sweat equity” requirement for receiving Self-Help Homeownership Opportunity Program (SHOP) funds by helping to build other homes in the community, in addition to their own.

SHOP provides competitive grants for sweat-equity groups such as Habitat for Humanity to help with land and infrastructure expenses. Mr. Green’s bill addresses a challenge the program is facing due to HUD’s interpretation of the law, in which homeowners are required to fulfill sweat equity solely by working on their own homes. “These grants are essential in helping groups like Habitat carry out their mission of ‘building stronger communities,’” Mr. Green said. “By fixing this glitch we’re removing a major barrier to homeownership for low income families, and giving them the chance to help other families in their communities.” There is currently no companion bill in the Senate.

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

Groups Ask Secretary to Clarify Statement

Twenty-one national organizations sent a letter to HUD Secretary Jackson on June 30 to express dismay about his nationally broadcast June 17 statement that “rental housing is affordable and plentiful” in the United States. Mr. Jackson made the assertion in an address to the National Press Club that was carried on National Public Radio. “As the nation’s highest ranking housing official, your statements about housing conditions in the United States have significant influence on the public’s understanding and opinion of the U.S. housing market. We urge you to accurately represent what the data clearly show,” the NLIHC-coordinated letter said. Several recent research reports that document the affordable rental housing shortage were enclosed with the letter.

The organizations called upon the Secretary to clarify his statement. The letter and annotated references can be found at www.nlihc.org/press/pr070104.html.

HUD Extends GSE Goals Comment Period

HUD Secretary Alphonso Jackson announced on June 25 the extension of the comment period, to July 16, on the new housing goals proposed for Government Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac. HUD issued the proposed goals on May 4 and comments from the public were due on July 2. The announcement cited the holiday weekend and various requests for additional time as reasons for the extension.

The affordable housing goals are set by HUD and are required by the 1992 Federal Housing Enterprises Financial Safety and Soundness Act to ensure that the GSEs lend to underserved borrowers and communities. HUD’s proposed rule would increase each of the three affordable housing goals, which include a low and moderate income goal, an underserved areas goal, and a special affordable goal that is directed to rental units for low income families. NLIHC is developing comments on the proposed rule.

In another GSE-related issue, 76 Democratic Members of the House of Representatives sent a letter to President Bush on June 28 urging him to work with Congress to strengthen the GSEs’ affordable housing efforts and to halt the Administration’s criticisms of the GSEs. Congress and the Administration have been unable to reach agreement on legislation pending in

(See HUD on p. 4)

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

Congress that would create a new regulator for the GSEs (see *Memo*, April 1).

The letter, signed by Minority Leader Nancy Pelosi (D-CA) and House Financial Services Ranking Member Barney Frank (D-MA), criticizes the White House and concludes that “the Administration does not appreciate the importance of the GSE’s affordable housing mission, as evidenced by its refusal to work with the House and Senate on this important legislation.”

The letter expresses concern that the Administration’s public attacks on the GSEs are fostering negative opinions in the financial markets that could lead to higher costs for the GSEs. Focusing exclusively on safety and soundness for the GSEs—without an appropriate balance in focus on the affordable housing mission of the GSEs—is misplaced, the signers argue. The letter closed by saying, “We ask you to work with us to craft legislation that achieves the proper balance in both areas.”

**National Housing Trust Fund
Women’s Caucus Letter Circulates**

Representative Hilda Solis (D-CA) has sent a letter to fellow members of the House Women’s Caucus encouraging them to become cosponsors of H.R. 1102, the National Housing Trust Fund legislation in the House. Currently, 43 out of 61 members of the bipartisan caucus are cosponsors.

“Not only do women face unique obstacles to accessing affordable housing, but studies also show that housing problems create and exacerbate other social problems for families and children, including hunger, domestic violence, health problems, and trouble in school,” Ms. Solis wrote. National Housing Trust Fund Campaign endorsers will follow up with Members who received the letter and are not yet cosponsors. The letter is available at www.nhtf.org.

In other campaign news, July’s National Housing Trust Fund endorser call focused on the current status of the campaign, and featured guest speaker Richelle Friedman of the Children’s Defense Fund. Ms. Friedman discussed how housing issues including the National Housing Trust Fund affect children and their families, and also discussed the integral role that Campaign endorsers play in the field. Endorser calls are held on the first Thursday of every month at 3 pm ET. August’s call is set for Thursday, August 5. Contact Matt at matt@nlihc.org with questions or suggestions for future speakers.

**In Washington
Housing for Asian/Pacific Americans**

Earnings and housing quality disparities for Asian American and Native Hawaiian/Pacific Islander populations were highlighted at a June 24 forum sponsored by the National Coalition for Asian Pacific American Community Development (National CAPACD), the UCLA Asian American Studies Center, and the Asian Pacific American (APA) Community Development Data Center. The forum called attention to high rates of overcrowding and low homeownership rates among the Asian, Native Hawaiian, and Pacific Islander population, as documented in National CAPACD’s recent series of fact sheets based on 2000 Census data.

According to Melany De La Cruz of the Data Center, the forum’s goal in part was to dispel the myth of Asians as a “model minority,” and draw attention to the real difficulties facing Asian and NHPI families. National CAPACD’s fact sheets examine eight states with large and growing Asian and NHPI populations – California, Florida, Hawaii, Illinois, Massachusetts, Minnesota, New York, and Washington – which combined make up more than 60% of the AAPI population in the United States. In five out of these eight states, fewer Asians than non-Hispanic whites have college degrees, and the same is true for Native Hawaiians and Pacific Islanders in all eight states. In addition, poverty rates for both groups exceeded the national average.

Asians, Native Hawaiians, and Pacific Islanders have lower homeownership rates than the U.S. population as a whole, with many sub-groups of the population having homeownership rates significantly below 50%. Asian and NHPI households also face rates of overcrowding more than four times those of non-Hispanic whites; in some states, such as New York and Minnesota, over a quarter of Asian homes are overcrowded.

Recent immigrants with low and moderate incomes – one-fifth of whom are Asian – face a related set of housing problems, according to Barbara Lipman, Research Director at the Center for Housing Policy. A greater number – as well as a greater percent – of immigrant families live in crowded conditions than do native-born families. Although overcrowded housing is normally assumed to be a problem of newly arrived immigrants, CHP has found that families who arrived several decades ago experience the same high levels of crowding as new arrivals.

Anne Pasmanick, Executive Director of the National Neighborhood Coalition, and Danilo Pelletiere, NLIHC

(See In Washington on p. 7)

Update from the Field

New Jersey Establishes Rental Assistance Program

Both houses of the New Jersey state legislature passed on June 24 a bill that would create a state rental assistance program patterned after the federal Section 8 voucher program. The bill, A2476, passed nearly unanimously, and advocates anticipate that Governor James McGreevey (D) will sign it. The bill would provide rental assistance to New Jersey residents not receiving Section 8 voucher assistance, with a set-aside for seniors.

This was the sixth year in a row that advocates and their champions in the legislature worked for the passage of a rental assistance bill. As originally introduced, a companion bill, S357, would have provided \$50 million for rental assistance. The program is set to be funded at half that amount, however. As passed, A2476 would provide \$10 million for rental assistance. But Senator Ronald Rice (D) threatened to create an impasse on the state's overall budget without a commitment for an additional \$15 million for rental assistance when the legislature reconvenes in the fall. As a result, the program will receive the additional \$15 million later this year.

Advocates consider the bill a major step towards an ongoing rental assistance program, which they hope will someday have an independent, perpetual funding source. Advocates were disappointed that the initial \$10 million in funding for A2476 would come from the state's Balanced Housing Program, the state's housing trust fund. The additional \$15 million would be funded through the state's general revenues.

Legislation to establish a rental assistance program was originally introduced six years ago in response to New Jersey's high housing costs and long waiting lists for the federal voucher program. The bill took on added urgency this year, however, given the crisis around federal voucher funding in FY04 and the cuts proposed by the Bush Administration for FY05 and beyond. Speeches on the floor of the legislature and editorials in New Jersey papers emphasized the connection between the threats to federal rental assistance resources and the need for a state program.

Despite the bill's shortcomings, advocates in New Jersey are excited about the establishment of a rental assistance program after years of advocacy. "This is the first time New Jersey is using its own dollars to address the needs of people working full time at low paying jobs, the disabled and seniors. Special thanks to Senator Rice who wouldn't let this budget pass without this commitment," said Diane Sterner, Executive Director of the Housing & Community Development Network of New Jersey (HCDNNJ).

For more information: Arnold Cohen, HCDNNJ, 609-393-3752 or acohen@hcdnnj.org.

Housing...Elections *(cont'd from p. 1)*

Election Law Trainings for Nonprofits

To clarify what 501(c)(3) organizations can and cannot do in an election season, the Alliance for Justice will host one-hour web-based trainings on Monday, July 19 at 2 pm ET and Monday, July 26 at 2 pm ET. The trainings will cover the rules for election-related activity including candidate elections, voter guides, voting records, and candidate debates and forums.

Participants will need a computer with internet access and working computer speakers. Questions will be taken through an online chat mechanism, but not through voice, so a microphone is not needed. Registrants will receive email instructions on how to log in to the training.

Registration is \$30. Register at www.afj.org/nonprofit/workshops_events/index.html. With questions regarding technology, contact Tim Mooney at tmooney@afj.org. With questions regarding registration, contact Ann Allegra at aallegra@afj.org. Or call AFJ at 202-822-6070.

Groups on Board to Register Low Income Voters on July 22

Multiple events across the country are planned in conjunction with National Low Income and Homeless Voter Registration Day on July 22. Some service providers, advocacy groups, and shelters are hosting large public events to bring attention to the importance of voting, while others are using the day to step up their voter registration activities or to train new activists and advocates.

Some examples include: in Elizabeth, NJ, the Elizabeth Coalition to End Homelessness members will visit all local shelters to register homeless people to vote. On the same day, the Elizabeth Board of Elections will hold voting machine demonstrations and explain the voting process. In Greensboro, NC, Democracy North Carolina will hold an event called "The Ongoing Fight For Equality: Voting Rights and Public Schools." The event will feature speeches, a panel discussion, tabling by allied groups, entertainment, and refreshments. King County Coalition for the Homeless in Washington state will hold a training event for their service providers and volunteers.

For more information and to commit to holding a similar event, contact Katie Fisher at 202-662-1530 x222 or at katie@nlihc.org.

Resources

HOPE VI: Research Findings and Policy Challenges

The Urban Institute, along with the Brookings Institution, has released *A Decade of HOPE VI: Research Findings and Policy Challenges*. The report reviews existing research literature on the HOPE VI program, looking at its history, successes, and failures within the context of current Administration plans to discontinue funding of the program. This report will be most helpful for those looking for an introduction and overview of the HOPE VI program. It provides an outline of much of the related research surrounding HOPE VI, and its bibliography is a good resource for those wishing to read further about the subject. The report is on the Urban Institute website at www.urban.org/url.cfm?ID=411002

The report begins by providing contextual and historical background on the HOPE VI program, including its evolution during the 1990s. Issues covered include how redevelopment has affected the project sites, how original residents have fared under these changes, what services have been provided to current residents of the development sites, and the impact redevelopments have had on surrounding neighborhoods.

The authors find that HOPE VI funding has led to the demolition of tens of thousands of severely distressed units and has replaced these units with higher quality housing. Some former residents have been able to relocate to better housing situations using vouchers, and the quality of life within the redeveloped neighborhoods has improved.

However, there have been a number of problems in the program's implementation. Many problems are related to administrative issues such as poor relocation planning and resident support during the redevelopment process, as well as ineffective program implementation that has caused delays in completing the redevelopment. The authors also point out that families given housing vouchers are generally still living in poor and segregated communities, and have sometimes had problems using vouchers to find adequate housing. Additionally, the HOPE VI developments have not addressed how to properly help families with the most severe needs, who are most likely to have problems finding adequate housing without additional support.

The report ends with a proposed research agenda for studying the program, stating that longer-term research should be done to measure the success of the HOPE VI mixed-use neighborhoods, to assess the outcomes

for low income residents of these developments, and to look at how successful HOPE VI projects have been in terms of revitalizing their surrounding neighborhoods.

Residential Finance Survey Released

HUD and the U.S. Census Bureau have released the 2001 Residential Finance Survey (RFS), which collects, processes, and produces information about the financing of non-farm residential properties. The RFS defines all buildings and land covered by a single first mortgage (the standard unit of reference for housing financial transactions), and provides the only standardized dataset for multi-unit properties.

The RFS uses a sample of about 68,000 addresses from Census 2000, and is tied to the decennial census, having been conducted in the year following the census since 1950. It interviews homeowners, rental property owners, and lenders. This survey is national in scope, and has breakdowns for the four Census regions, for inside and outside metropolitan areas, and for some larger states.

The RFS can be found on the HUD User website, which includes a rental property file, a homeowner property file, and documentation for each: www.huduser.org/datasets/rfs.html. The Census Bureau website has more information on how the RFS is used: www.census.gov/hhes/www/rfs.html.

Fact of the Week

Housing Problems of the Working Poor

Percent of working poor households with critical housing needs* who earn:

One-quarter to one-half minimum wage:	21.0%
One-half to three-quarters minimum wage:	28.0%
Three-quarters to full-time minimum wage:	16.4%
At least full time minimum wage:	34.7%

*Households with critical housing needs are defined as paying at least half of their income for housing and/or living in dilapidated conditions. Working poor households are those making at least one-quarter of the annual minimum wage up to the poverty rate.

Source: "Housing Problems of the Working Poor." Center for Housing Policy, the Research Affiliate of the National Housing Conference. April, 2004.

www.nhcn.org/CHP_Housing_Problems_of_the_Working_Poor_2004.pdf

NLIHC News

NLIHC Seeks Policy Analyst

NLIHC seeks staff member to track, analyze, and advocate on federal legislative and regulatory issues related to NLIHC mission. Reports to Deputy Director. Qualifications include highly developed communication and policy analysis skills, knowledge of federal housing policy, and commitment to housing justice. Direct experience with the legislative process a plus. Masters' preferred. Send cover letter and resume to Deputy Director, NLIHC, 1012 14th St. NW, Suite 610, Washington, DC 20005. Applications accepted until position is filled. EE0/AA.

In Washington *(cont'd from p. 4)*

Research Director, served as forum discussants, noting that the issues facing Asian and NHPI communities are often obscured in the national context. Noting the high rates of crowding among many Asian and Pacific Islander groups, the panel and the audience also discussed the need for further research into the problem of crowding, how to measure it and what these measures say about the nation's low income housing crisis.

NLIHC Staff

Matt Achhammer, Field Organizer, x229
Bonnie Caldwell, Senior Legislative Director, x242
Beth Coddington, Intern, x239
Linda Couch, Deputy Director, x228
Sheila Crowley, President, x224
Ellie Dayhoff-Brannigan, Intern, x241
Stephen Fee, Intern, x314
Katie Fisher, Field Organizer, x222
Melissa Higuchi, Membership Associate, x227
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Liz Krimmel, Intern, x244
Kathryn Lowe, Intern, x243
Khara Norris, Executive Assistant, x224
Danilo Pelletiere, Research Director, x237
Irene Basloe Saraf, Associate Director, 202-744-5766
Kim Schaffer, Outreach Director, x230
Michelle Goodwin Thompson, Office Manager, x234
Mark Treskon, Research Analyst, x245
Carol Vance, Receptionist/Office Assistant, x221

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.



National Low Income Housing Coalition
Memo to Members
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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.