

# MEMO OF MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

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## National Housing Trust Fund

### Campaign Gearing Up for Discharge Petition Action

The National Housing Trust Fund Campaign is preparing for the return of Congress to Washington, DC this week, and the momentous opportunity presented by the filing of the discharge petition on National Housing Trust Fund legislation, HR 1102.

As reported, three cosponsors of HR 1102 filed the discharge petition late in July in an attempt to force action on the bill. Despite having 214 cosponsors, a near-majority of the House, the House leadership has not allowed action on HR 1102. If the discharge petition is signed by 218 Members, there is then the opportunity for the bill to move from committee to the House floor for a debate and vote. The first day Representatives can sign the petition is likely to be September 14, and they must sign in person on the House floor.

This week, when Congress returns, organizational members of the NHTF policy group will send letters to Congress urging members to sign the discharge petition. Advocates have already been contacting their Members of Congress, urging them to sign the petition as soon as they are able. Advocates will also have the opportunity to contact their members on two call-in days that will be announced shortly, one the day before Members can sign the petition and one on the first day the petition is open for signatures.

In addition, postcards that can be sent to Members of Congress requesting that they sign the discharge petition can be requested by contacting Matt Achhammer, NHTF Campaign organizer, at [matt@nlihc.org](mailto:matt@nlihc.org). Up-to-date information on the NHTF Campaign is available at [www.nhtf.org](http://www.nhtf.org).

## SPECIAL REPORT

### FY04 VOUCHER FUNDING CRISIS WEEK 20

#### HUD Responds to Agencies' Appeals

HUD has begun to distribute \$156 million to public housing authorities, the result of agencies' appeals to the voucher program funding changes announced by HUD on April 22. The funds are needed to meet FY04 Section 8 voucher costs, since HUD's April 22 notice cut funding to local voucher programs and brought hardship and fear to many voucher holders. The money will be distributed to 379 of the 398 housing authorities that filed appeals.

After Members of Congress, agencies, and advocates argued that housing authorities were underfunded for FY04 and that tenants were in jeopardy of losing their vouchers, HUD set up an appeals process to allow agencies to demonstrate their need for a higher inflation factor for FY04 than HUD had allowed in its April 22 notice. Agencies had until July 15 to appeal their funding levels, and HUD committed to notifying agencies by August 31 (See *Memo*, July 2).

The reports available thus far suggest that housing authorities' appeals were met with mixed results. On one hand, New York City reported that HUD has agreed to restore almost the entire \$55 million shortfall it faced.

(See *Vouchers* on p. 2)

## POINT OF VIEW

by Sheila Crowley, President

Last year in July, NLIHC Board Chair Bill Faith and I wrote to all NLIHC members about the importance of the 2004 election for the future of low income housing. Our letter cited data about voting in the 2000 election by income that showed that low income people voted in far fewer numbers than high income people did. We argued that policy makers will not give the attention that is needed to the concerns of low income people until low income people vote in enough numbers to catch the attention of people who run for office. We challenged our members who work with low income people and in low income communities to make voter registration, education, and mobilization (VREM) routine activities in your programs.

A year later the reports from our members are that you are doing just that. The scope and sophistication of the civic engagement work in the affordable housing community is unprecedented. If you have been following the weekly updates on VREM in *Memo*, you are getting a taste of what is going on out there. Housing and homeless service organizations in every state are engaged in making sure that low income people know what is at stake in this election and what they need to do to make sure their votes are cast and counted.

Still, some providers are reluctant to get involved, perceiving voter work as beyond the boundaries of their relationships with residents. This is a serious misreading of the nature of helping. An

(See *Point of View* on p. 7)



NATIONAL LOW INCOME  
HOUSING COALITION

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

One agency initially received notice it would receive \$29,519, or an additional 62 cents per unit, despite demonstrating in its appeals letter that its HAP costs were much higher due to changes in tenant's income, a shift to larger units and unusual rent increases and operating costs increases due to changes in property tax and utility costs. However, after asking HUD to explain the rationale for the award, the agency was advised that the original amount was incorrect and they would be receiving \$927,000. Another agency was told that it would qualify for an increase, but that since the agency has reserves in excess one-month requirement, HUD would offset their approved appeal amount by an amount equal to its existing excess reserves.

The information available suggests that the notices include no explanations as to how HUD calculated the additional amounts provided.

Still to be learned is whether the additional funds being distributed will be enough to help agencies that have indicated they will have to terminate vouchers because of the shortfall in FY04 funding. Another unknown is how the many agencies that did not file appeals will fare. Housing authorities and advocates remain committed to both working through the appeals process and reversing the budget-based approach sprung on housing agencies by HUD that led to the shortfalls.

The Council of Large Public Housing Authorities (CLPHA) issued a statement this week questioning HUD's recent actions regarding the voucher program, saying HUD's announcement of additional funding for some housing agencies should not be portrayed as a positive response to their needs. "The truth is," said CLPHA Director Sunia Zaterman, "Congress had appropriated enough money to fund the vouchers, and made its intent clear. HUD manufactured a crisis that it is now claiming to have solved."

CLPHA also scrutinized Secretary Alphonso Jackson's statements on the voucher program. "HUD Secretary Jackson has been writing opinion pieces describing the current Section 8 program as 'broken,'" the statement reads. "It's not. However, the administration's actions are bringing it dangerously close."

**FY04 concerns around the country.** In Illinois, Governor Rod Blagojevich (D) has written to HUD requesting that funds be restored to the Section 8 program. The letter points out that, "Springfield's Housing Authority Board faces a substantial Section 8 funding shortfall that may result in 380 families losing their rental assistance."

In other Illinois news, the Housing Authority of Elgin has temporarily been blocked from ending voucher assistance to three low income families. The ruling, by a Kane County Circuit Judge, protects the families until the next hearing on September 14. The housing authority has been forced to cut spending because of the April 22 funding notice from HUD. The judge indicated that it is unclear what authority he has to force the housing authority to provide the rental assistance if their actions are a result of cuts in the federal housing Section 8 program.

In New Jersey, the Weehawken Housing Authority is unable to provide assistance to more families or offset the increased costs of rent hikes because of the new funding formula. The state has stepped in to help, but has restored funds only for the number of families who were Section 8 recipients as of August 2003. Weehawken had planned to add between 8 and 12 additional families, but has had to forgo that plan in order to keep current tenant rents at the current rate.

In Minnesota, the Winona Housing and Redevelopment Agency is also struggling under the new FY04 funding regulations. Winona's Section 8 coordinator, Neal Nixon, said the agency has closed its waiting lists and has not contracted with any new clients on the waiting list.

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## FDIC

### Advocates Submitting Comments to Protect CRA

Housing and community development advocates are using the time between now and September 20 to submit their comments to the FDIC on its proposal to significantly weaken the Community Reinvestment Act through unilateral rulemaking. To date, more than 110 comments have been submitted.

The FDIC, one of the nation's four main bank regulators, has proposed substantially shrinking the pool of regulated banks that must to meet the most stringent CRA tests. If the FDIC's proposal is instituted, the pool of CRA-committed banks would shrink so much that some entire states, as well as numerous rural areas and regions of states, would be left with no CRA-inspired investments. Advocates are using the FDIC's web-based comment system to submit comments.

Comments can be submitted and read at [www.fdic.gov/regulations/laws/federal/propose.html](http://www.fdic.gov/regulations/laws/federal/propose.html). NLIHC's call to action, which explains the proposed change, is available at [www.nlihc.org/news/082004.html](http://www.nlihc.org/news/082004.html).

## HUD

### OGC Prohibits Use of Some Funds for Housing Contracts

HUD's Office of General Counsel (OGC) has notified the Office of Multifamily Housing that it may not use recaptured Section 8 funds to cover project-based contract amendments or renewals. HUD counted on the availability of these funds when determining FY04 funding levels, and the use of these recaptured funds is critical at the end of the fiscal year when a continuing resolution is likely and the outlook for resolving HUD's FY05 budget is unclear.

The lack of this stop-gap renewal and amendment funding means that project-based properties will have to rely on funding authorized through a continuing resolution, assuming one is necessary. Continuing resolutions represent a blip in the administration of renewal and amendment funds, which could mean serious ripple effects if the result is projects with delayed funding streams.

Advocates plan to work with HUD and Congress to seek clarification of this opinion and to urge HUD continue to use recaptured funds to cover any shortfalls for project-based Section 8 homes.

### New Formula's Effect on PHAs Charted

HUD's new way of calculating public housing operating costs, finalized after a negotiated rulemaking process ended in June (see *Memo*, June 18) will affect each housing authority's subsidy levels. To help determine what the specific effects are likely to be, the National Association of Housing and Redevelopment Officials (NAHRO) has released a spreadsheet of its projections on the new operating subsidy formula's impact on individual public housing authorities (PHAs).

The new rule, effective January 1, 2006, will produce subsidy increases for the majority of PHAs. These increases will be phased in over 2006 and 2007. Other agencies are projected to lose operating subsidy. According to the Public Housing Authorities Directors Association, those PHAs slated for reduced funding will have lose funds gradually over several years. To access NAHRO's chart, visit [www.nahro.org/members/programs/phousing/ops/ops/opsPEL\\_newrule.pdf](http://www.nahro.org/members/programs/phousing/ops/ops/opsPEL_newrule.pdf).

### Domestic Violence Network Appeals HUD Rule

The National Network to End Domestic Violence (NNEDV) has filed a "Petition for Rulemaking" to for-

mally appeal HUD's removal of an exemption for victims of domestic violence from large databases that will track and share a victim's exact location and private information for seven years. NNEDV calls the exemption a life-saving tool and urges HUD to stay the implementation of final standards for its Homeless Management Information System (HMIS) databases, which were released on July 30 (See *Memo*, August 6).

NNEDV has further called on HUD to begin a rulemaking process to amend the final HMIS standards to reinstate the domestic violence exemption. The proposed standards, released for comment in July 2003, included an exemption for domestic violence programs and individual victims, allowing them to provide non-identifying information.

### Jackson Backs Off Threat to Fire Jacobs

HUD Secretary Alphonso Jackson has officially notified Dave Jacobs, the Director of the Office of Healthy Homes and Lead Hazard Control (OHHLHC), that Mr. Jacobs will not be fired after all. As reported in *Memo* on May 28, Secretary Jackson tried to fire Mr. Jacobs for cause over criticisms of OHHLHC made in a report by the HUD Inspector General about grants to five national organizations.

Mr. Jacobs refuted the allegations in a point-by-point rebuttal. In addition, the Secretary received over 60 letters from state and local agency staff, public health experts, parents, and community leaders in support of Jacobs and the work of OHHLHC under Mr. Jacobs' leadership for the last nine years.

Unfortunately, Mr. Jacobs will not be allowed to continue that work, despite his continued employment as a federal civil servant. He has been reassigned to the Office of Community Planning and Development as a "special assistant."

While the withdrawal of the action to fire Mr. Jacobs is a vindication that the charges were unfounded, his reassignment is a serious loss to the national effort to assure lead safe homes for all children.

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## Capitol Hill 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/>.

## Housing in the Elections Election Protection Coalition Helps Voters

With Election Day just around the corner, organizations nationwide are planning massive efforts to prevent the election fraud that plagued the general election in 2000.

A coalition of broad national groups, the Election Protection (EP) Coalition, plans to mobilize 25,000 volunteers in 3,500 predominantly African-American and Latino precincts in at least 17 states around the country on Election Day. The volunteers, lawyers, and law students will staff an EP voter hotline and formulate rapid response teams to combat any illegal or potentially illegal activity that could ultimately prevent someone from voting.

The Coalition includes groups such as People for the American Way Foundation (PFAWF), the Voter Protection Project of America's Families United, the National Coalition on Black Civic Participation, the AFL-CIO, Mi Familia Vota, the Advancement Project, the ACLU, AFSCME, and the League of Women Voters.

Because an EP operation this large has never been tried before, the group used the August 31 primary in Florida, the state that saw the largest number of election law violations in 2000, to test its strategies.

"The Election Protection Coalition's 60-precinct trial run delivered excellent results, with numerous reports from voters, and strong participation by volunteer canvassers, poll monitors, lawyers and law students offering assistance and advice," PFAWF President Ralph Neas said in a press release following the primary.

In the days leading up to the primary, more than 350 volunteers participated in the EP activities. They reported that about 40 calls per hour were made to the toll-free number, 1-866-OUR-VOTE, on primary day. An additional 400 were made the day before the primary from voters asking for assistance and information, such as the location of their polling places.

The complaints filed with the hotline included many that organizers expected. For example, some voters called the hotline reporting potentially intimidating police presence near heavily African-American precinct polling places, while others reported poll workers who were demanding identification in an "overly aggressive manner." In other places, poll workers re-

portedly did not inform voters who did not have identification of their right to sign an affidavit and cast a vote.

Tulin Ozdeger at the National Law Center on Homelessness and Poverty, who has been studying the potential difficulties homeless individuals will face on Election Day, said these are many of the same problems that housing and homeless advocates fear homeless and low income individuals will face on Election Day.

"Intimidation, whether by the voting process in general, individuals, or the location of the polling place, is certainly something we expect to be a hurdle for homeless voters," she said. "One of the biggest problems we expect the homeless population to face is the identification requirements and the lack of education both the voters and the election officials have received regarding the identification requirements."

According to Ms. Ozdeger, each state has a different ID requirement, and the best way to ensure that that requirement does not prevent homeless and low income individuals from voting is to find out what each state requires, and to then educate voters and poll workers on those laws. Contact Katie Fisher at the National Low Income Housing Coalition at 202-662-1530 x222 or [Katie@nlihc.org](mailto:Katie@nlihc.org) for help in finding your state's ID requirements.

"There are a lot of things the average voter doesn't know about, so having poll monitors [to inform them of the hotline as well as their rights] should be helpful. We really think the Election Protection Coalition and their plans for Election Day have the potential to help tons of homeless individuals [cast their votes]," Ms. Ozdeger said.

For more information about the Election Protection Coalition, visit [www.electionprotection2004.org/](http://www.electionprotection2004.org/). For more information on the National Law Center on Homelessness and Poverty, visit [www.nlchp.org](http://www.nlchp.org).

### Former HUD Secretary Wins Primary

Former HUD Secretary Mel Martinez, who left the agency to run for the open Senate seat in his home state of Florida, won the Republican primary this week. Mr. Martinez now faces Democrat Betty Castor in November.

## Update from the Field

### NY Wins Now At Risk

Less than a month ago, advocates in New York state were celebrating the 2004-2005 budget that the state legislature had passed, which both restored cuts to housing programs proposed by the governor and added \$57 million in new capital funding. Now they are shocked that the governor has vetoed both the new funds and long-standing grants that help local community development groups with operating expenses.

For the first time in many years, the Assembly and Senate had added new housing funding to their versions of the appropriations bills, funds that largely came from State of New York Mortgage Agency (SONYMA) profits, which had previously gone into the general treasury. The \$57 million included \$20 million in additional funding for the state's housing trust fund, \$20 million for construction of homes that families with moderate incomes can purchase, and \$7.5 million to help finance rental buildings for low income households. Other new funds were earmarked for a rural homeownership assistance program to provide housing counseling.

"This win was important to us because we really believe that at least some of the funds generated by housing should go back into housing," said Blair Sebastian, executive director of the New York State Rural Housing Coalition. "In addition, despite pressure from industry groups, we were gratified that the legislature held its ground and directed a significant portion of the new funding towards community-based organizations."

As troubling as the veto of the new funding is, advocates say that the veto of more than \$7.5 million in funding of the Rural Preservation Program and the Neighborhood Preservation Companies is just astounding. For years, the state has provided each of more than 230 community development corporations across the state with \$65,000 in operating funds, which allow them to administer housing programs.

While Governor George Pataki (R) had proposed cutting these programs by half in the original version of his budget, the Assembly and Senate restored them, a process advocates said has happened several times in previous years.

To reverse the governor's line-item vetoes will require the Senate, and then the Assembly, returning to session and approving an override. Advocates are now working to convince Senate Majority Leader Joseph Bruno (R) to do just that.

"We're going to urge, urge, urge Senator Bruno to come back and override those vetoes," said Susan

Holland of the Neighborhood Preservation Coalition of New York State. "If these funds are not restored, services that are provided now will be severely cut back."

While there are concerns about the fate of the new funding, Mr. Sebastian said advocates remain hopeful that the Senate will find a way to restore most if not all of the operating funds.

For more information: Blair Sebastian, New York State Rural Housing Coalition, [www.ruralhousing.org](http://www.ruralhousing.org); Joseph Agostine, Neighborhood Preservation Coalition of New York State, [www.npcnys.org](http://www.npcnys.org).

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## USDA

### Affordable Rural Housing Continues to Shrink

The Housing Assistance Council (HAC) reported August 17 that low income rental housing is disappearing in rural areas. In new data obtained by HAC, 1,878 rural rental units have left the federal Section 515 program in the first nine months of the current fiscal year, exceeding the figure of 1,848 units lost in all of FY03. The Section 515 program is the Rural Housing Services largest rental program targeted to very low income households.

"In many rural areas there are no good alternatives for these tenants, especially elderly people and people with disabilities who live on fixed incomes," said HAC Executive Director Moises Loza.

Compounding the problem of the loss of affordable rural housing are two recent court rulings. First, the Ninth Circuit Court of Appeals concluded that elderly tenants could not appeal a court decision that, in effect, allowed prepayment of the housing development in which they lived. The court held that the tenants' appeal was moot since the government and the property owner had entered into a settlement agreement. The court announced its ruling in an unpublished memorandum decision that did not address the substantive issues of the case.

In a separate suit involving different properties, the Court of Federal Claims held that the U. S. Department of Agriculture breached its loan contracts by imposing prepayment restrictions, and must pay lost profits to the owners of 37 of the 41 projects involved in the case.

PDF files of the actual decisions are available on HAC's website, at [www.ruralhome.org/announce/PrepaymentCases092004.htm](http://www.ruralhome.org/announce/PrepaymentCases092004.htm).

## Resources

### New Poverty Data Released

The Coalition on Human Needs has compiled overall and child poverty data using updated numbers from the newly released American Community Survey (ACS).

The two tables include the number and percent of those in poverty in 2000, 2002, and 2003, along with the change in poverty in those years. Between 2000 and 2003 the numbers show an increase in poverty rates in 41 states (including the District of Columbia), and an increase in child poverty in 33. However, the authors note that because the ACS is currently using a larger survey sample size than it did in 2000, some of the 2000-2003 comparisons should be looked at cautiously.

State child poverty data is available at [www.chn.org/pdf/childpoor.PDF](http://www.chn.org/pdf/childpoor.PDF). State overall poverty data is available at [www.chn.org/pdf/totalpoor.PDF](http://www.chn.org/pdf/totalpoor.PDF).

### Homeownership Becoming Less Affordable

The Fannie Mae Foundation has released "Homeownership Affordability In Urban America: Past and Future," which finds that homeownership is becoming less affordable for middle income people. The report provides historical trends and projections for the nation and for 11 major metropolitan areas. It also looks at how affordable homeownership is given the incomes of four middle-income job types.

The report uses a series of homeownership affordability ratios that create historical records and projections of affordability data. These ratios compare the qualifying income for a median-price existing home loan to the median family income. A ratio above 100 means that the home is not affordable, while a ratio below 100 indicates that the home is affordable. In addition to the median family income for an area, the report also compares the qualifying income to a group of middle-income occupations: schoolteachers, nurses, police officers, and firefighters. First-time homebuyers are also looked at separately from repeat buyers.

Data for this report comes from multiple sources, including the Current Population Survey, median family income data from HUD, occupational data from the Bureau of Labor Statistics Occupational Employment Statistics Survey, the National Association of Realtors, the Federal Housing Finance Board, and the U.S. Census Bureau. Projections were created by trending historical house price and income forward, estimating

that mortgage interest rates will increase by 0.5 percentage points per year over the 2004-2008 period.

The study finds that for the nation, median-income, first-time home buyers with a 10% downpayment no longer qualify for a mortgage on a median-priced home. By 2007, repeat buyers with 20% down will not qualify for the mortgage on a median-price home. Also at a national level, an average-wage schoolteacher, nurse, police officer, or firefighter lack sufficient income to purchase a median-priced home with a 10% downpayment.

The 11 metropolitan areas analyzed include the eight largest in terms of population, plus three (San Francisco, Seattle, and Denver) added to widen the study's geographic reach. Out of these areas, projections show that only Atlanta, Houston, and Philadelphia will continue to remain affordable or nearly affordable for median-income families. Chicago, Denver, Seattle, and Washington, DC, will shift from barely or nearly affordable to unaffordable due to faster growth in home prices than family incomes. Boston, Los Angeles, New York, and San Francisco are already unaffordable to median-income families looking to buy a home.

This report is a good source for those wanting to look at the growing problems of homeownership affordability. Its use of multiple datasets also points to sources that readers may find helpful or informative in their own research. It is available at <http://content.knowledgeplex.org/kp2/cache/kp/22736.pdf>.

## Fact of the Week

### States with the largest percentage of people in poverty, 2003

	Percent in Poverty, 2003	Number in Poverty, 2003
Louisiana	20.3%	882,244
District of Columbia	19.9%	105,050
Mississippi	19.9%	553,476
New Mexico	18.6%	340,196
West Virginia	18.5%	326,320

Source: Coalition on Human Needs. Calculations from U.S. Census Bureau's American Community Survey: [www.chn.org/pdf/totalpoor.PDF](http://www.chn.org/pdf/totalpoor.PDF).

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

organization that includes concepts like empowerment or self-sufficiency or independence or community-building in its mission and goals has an obligation to make sure that exercise of the rights and privileges of citizenship is part of the program they offer.

What we know from studies on effective voter mobilization is that the more personal the connection between the person doing the mobilizing and the person being mobilized, the greater the likelihood that new voting will take place. (See review of Green & Gerber, *Get Out The Vote!* in *Memo* on August 13.) A non-voter is more likely to become a voter if encouraged by a friend, relative, counselor or case worker, or someone else he or she already has a positive relationship with, rather than by a stranger. Voting will increase among low income people if they believe that it matters not just to them, but to people close to them. While the direct benefit to an individual in casting a vote is an abstract concept, voting because someone you care about has asked you to offers a very tangible reward.

Please devote the month of September to ramping up the voter registration and education your organization is undertaking. The tools you need are at [www.nlihc.org/vrem](http://www.nlihc.org/vrem). If you have not gotten started, you still have time. Don't put it off another day.

### 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).



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

## NLIHC 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 14<sup>th</sup> St. NW, Suite 610, Washington, DC 20005. Applications accepted until position is filled. EE0/AA.

### NLIHC Seeks Interns

NLIHC is seeking legislative, outreach and research interns for the fall semester who are passionate about social justice issues and who have excellent writing and interpersonal skills. Send a resume and cover letter to:

Internship Coordinator, NLIHC  
1012 14th Street NW, Suite 610, Washington DC 20005  
or to [info@nlihc.org](mailto:info@nlihc.org). Questions? Call 202-662-1530 x228.

### Save the Date! NLIHC Annual Conference

NLIHC's 2005 Annual Housing Policy Conference and Lobby Day will be held Monday and Tuesday, May 2 and 3, at the Capital Hilton in Washington, DC. The Leadership Reception will be held the evening of May 3. Mark your calendar and plan to join us!

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