

MEMO OF MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

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National Housing Trust Fund

Discharge Petition Gains Ground

The number of signatures on H.Res. 748, the discharge petition on National Housing Trust Fund legislation, grew to 151 Members this week. In signing, a Member signifies his or her support for bringing the bill to the floor of the House for debate and a vote.

Members will be able to sign until Congress adjourns for recess, which is expected to be in mid-October, and then again after the elections, when they are expected to return for a "lame duck" session. More information is available at www.nhtf.org.

Capitol Hill

Continuing Resolution Until Nov. 20

With the 2005 fiscal year beginning on October 1 and the new spending bills not yet finished, the House and Senate this week passed a continuing resolution (CR), H.J.Res. 107, that funds government programs and operations at FY04 levels until November 20. The bill provides \$14.6 million above FY2004 levels for amendments to tenant-based housing contracts for housing for persons with disabilities. The bill does not provide any relief from the pressures placed on voucher administrators resulting from the April 22 HUD voucher funding notice.

Congress is expected to recess October 8 until November 15, when lawmakers will reconvene for a lame duck session. It is anticipated that the HUD spending bill will then be rolled into an omnibus spending bill. Many scenarios are still at play, however, including passage of another CR valid until September 30, 2005.

The HUD FY05 appropriations bills in the Senate (S. 2825; see *Memo*, September 24), and the House (H.R. 5041; see *Memo*, July 23 and 30) are very different from each other. Both provide sufficient funding for the renewal of Section 8 vouchers and project-based contracts (the Senate even more than the House). However, the House bill explicitly continues the budget-based funding mechanism,

(See **Capitol Hill** on p. 2)

HUD

After Public Outcry, "Final" FMRs Take a Small Step Forward

HUD announced its final 2005 Fair Market Rents (FMRs) this week. HUD's extreme delay and confusion in publishing the 2005 *proposed* FMRs, however, limited the time that HUD had to consider public comments on the proposed numbers, and mean that while the final FMRs are improved over the proposed FMRs, many questions remain. Moreover, random digit dialing surveys (RDDs) of rents in at least 29 communities could not be completed by October 1, the statutory deadline for HUD to publish final FMRs. Thus, the 2005 final FMRs can hardly be considered "final" in many areas. HUD has extended the public comment period until November 5 and plans to issue notices containing "revised FMRs" in the future.

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POINT OF VIEW

by Sheila Crowley, President

The VREM (voter registration, education, and mobilization) project was launched by the National Low Income Housing Coalition in the summer of 2003 to convince non-profit and other low income housing providers to integrate non-partisan civic engagement activities into their resident programs. As we get closer to the 2004 election, it is clear that there is another component to the project – voter protection. Reports of attempts to inhibit registration and invalidate new registrants are growing, especially in battleground states. Organizations doing voter work in low income communities are preparing for expected voter suppression schemes on election day. Last week, the Leadership Conference on Civil Rights filed a Freedom of Information Act suit against the U.S. Department of Justice, seeking documents related to Attorney General John Ashcroft's voter fraud activities that "could have the effect of intimidating lawful voters and ... suppressing voter turnout."

Voter suppression language even found its way into the Senate version of the VA-HUD Appropriations bill. An administrative provision would prohibit public housing agencies from using federal funds for "political purposes." Of course, PHAs should not engage in partisan political activity, but the Senate bill includes non-partisan voter registration and voter mobilization as well.

If enacted, this provision would shut down the voter work undertaken by a staff person and a resident in a small housing authority whom I have gotten to know this year. A year ago they decided together to reach out to the other residents in a voter registration

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NATIONAL LOW INCOME
HOUSING COALITION

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

which has resulted in voucher program reductions across the country. The Senate bill is much-improved over the House version but may still place unintentional constraints on the voucher program. Other differences are clear as well: the House bill cuts every non-Section 8 housing and community development program, while the Senate bill increases funding for most programs above FY04 levels.

Hearing on Fannie Mae Set

The House Financial Services Subcommittee on Capital Markets, Insurance and Government-Sponsored Enterprises is scheduled to hold a hearing on October 6 about accounting and management issues at Fannie Mae. A recent Office of Federal Housing Enterprise Oversight (OFHEO) report claims that Fannie Mae manipulated earnings to make them appear more predictable, among other accusations. Unpredictable swings in earnings may damage a company's stock price.

Fannie Mae and OFHEO, its regulator, reached an agreement on September 27 to take a series of steps with respect to Fannie's internal controls, organization and staffing, governance, accounting and capital. According to Ann McLaughlin Korologos, Presiding Director of Fannie Mae's Board, "These are significant steps and the Board is fully committed to their timely implementation."

Based on OFHEO's report, the *Wall Street Journal* reported September 30, the Department of Justice has launched a criminal investigation into possible wrongdoing at Fannie Mae. The Securities and Exchange Commission, to which Fannie Mae files quarterly financial statements, has been reviewing Fannie Mae's accounting practices since early 2004.

TANF Reauthorization Passes

A six-month reauthorization of the Temporary Aid to Needy Families (TANF) block grant program (H.R. 5149) passed the House by a vote of 416-0 on September 30, the day the program was due to expire. The reauthorization extends TANF through March 31, 2005 and makes no policy changes.

The Senate "hotlined" this reauthorization legislation and passed it by voice vote the same day. S. 2830, which would reauthorize TANF but divert \$600 million for marriage and fatherhood initiatives (see *Memo*, September 22), is now considered unlikely to pass.

VA and McKinney-Vento

The McKinney-Vento Homeless Assistance Act requires federal agencies to periodically report their ex-

cess buildings and land to HUD, which then makes the properties available to groups assisting the homeless. But S. 2485, the Department of Veterans Affairs Real Property and Facilities Management Improvement Act of 2004, introduced by Senator Arlen Specter (R-PA), includes a provision allowing the Department of Veterans Affairs to ignore McKinney-Vento when disposing of its excess property. Advocates say this would significantly limit homeless housing and services; however, the provision is likely to be removed either before the bill goes to the full Senate, or in conference. The bill passed the Senate Veterans Affairs Committee on September 27 and has been placed on the Senate legislative calendar.

Two Bills Address Native American Housing

Two recently introduced bills would increase housing opportunities for Native Americans.

The Native American Veterans Home Loan Act, H.R. 5153, was introduced by Representative Stephanie Herseth (D-SD) on September 28. It would extend a VA pilot program that provides direct loans to Native American veterans from 68 tribes who wish to purchase, construct, or improve a home on Native American Trust lands. Since the program's inception in 1992, the VA has made over 400 such loans. The program is currently scheduled to expire on December 31, 2005, but the bill would extend it through 2008. H.R. 5153 has five cosponsors and was referred to the House Committee on Veterans' Affairs.

The Bennett Freeze Rehabilitation Act (HR 5168) is sponsored by Representative Rick Renzi (R-AZ). It is designed to end an administrative ruling enacted in 1966 that bans Navajos from constructing or repairing homes on a 1.5 million-acre swath of land that was claimed by both the Navajo Nation and the Hopi Tribe. Both groups are currently engaged in settlement negotiations to lift the freeze, which has blocked essential construction and maintenance of homes and infrastructure.

The freeze was temporarily lifted in 1992 and a \$20 million rehabilitation plan was designed, but a judge quickly reinstated the freeze. The area is currently home to 8,000 people, only 3% of whom have electricity and 10% of whom have running water. Dwellings are extremely overcrowded and many have been declared unfit for human habitation. The legislation would allow for housing construction and renovation, infrastructure improvements, economic development activities in the Bennett Freeze zone, and an end to the freeze when an agreement between the Navajos and Hopis is reached. H.R. 5168 has been referred to the House Committee on Resources.

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

When they were released in August, the 2005 proposed FMRs differed radically from the previous year's FMRs, leading to significant public outcry. By September 7, HUD's initial deadline for public comment, more than 370 tenants, landlords, PHAs and others had written HUD in opposition to the proposed FMRs. Most asked HUD to delay implementation of the final FMRs until all public comments were received and all RDDs were complete. Along with expressing concerns about the timing of the release, the public comments highlighted concerns about the new FMR geography HUD had proposed, the abolition of the statewide rural minimum FMRs, and apparent modifications to the way apartment size, quality and subsidy adjustments were being made. In this week's final FMRs, only the issue of the FMR geography was addressed.

Many advocates had hoped HUD would reassess its FMR geography based on current housing market data. However, facing the impending October 1 deadline and strong opposition to its proposed geography, HUD chose to simply revert to the old FMR area geography dating from the 1990s. The result, though, is more consistent FMRs that are also more likely to be accurate, as they are generally derived from smaller geographic areas.

Another change between the proposed and the final FMRs is that HUD used the results of 24 new RDDs in the final FMRs. The new RDDs have a mixed, and often unexpected, impact on final FMRs. For example, there were declines between the proposed and the final FMRs in cities such as Chicago and Boston, where the reversion to the 2004 FMR areas alone would have led to increases. Providence, RI, however, experienced a 26% increase over its proposed FMR as a result of its RDD, where it otherwise would have seen a decline.

For data, analysis, public comment, and useful links on the 2005 FMRs, go to www.nlihc.org/2005fmrs/index.htm.

OMHAR Becomes OAHP

The Office of Multifamily Housing Assistance Restructuring (OMHAR) officially transferred into HUD as the new Office of Affordable Housing Preservation (OAHP), within the Office of Housing, on October 1. The new OAHP will continue HUD's Mark-to-Market (MTM) program, which currently has about 550 projects in its pipeline. "OAHP will also provide assistance to affordable housing areas in the oversight and preservation of a wide spectrum of affordable housing programs," according to a HUD statement. "OAHP will be charged with important projects and programs while continuing the success of the MTM program."

Pamela Hughes Patenaude has been nominated to be *(Continued next column)*

(Continued from previous column)

OAHP will be directed by Deputy Assistant Secretary Charles (Hank) Williams, the Director of OMHAR.

Assistant Secretary for CPD Nominated

Pamela Hughes Patenaude has been nominated to be HUD's Assistant Secretary for Community Planning and Development, a vacancy that opened up when Roy Bernardi became HUD's Deputy Secretary. The Senate Banking, Housing and Urban Affairs Committee will hold a confirmation hearing on Ms. Patenaude on October 5.

In Washington Green Communities Funding Announced

A five-year, \$550 million initiative to build more than 8,500 units of affordable, healthy, and energy-efficient housing was announced September 28 by The Enterprise Foundation, the Natural Resources Defense Council (NRDC), and several corporate, financial, and philanthropic organizations.

The Green Communities funding will come in the form of grants and favorably-priced financing for developers of "green" housing, and it is hoped that the funds will leverage another half billion dollars for similar projects. The housing built through this initiative will be built near mass transit, social services, jobs, and schools, and will be 30% more energy-efficient than traditional construction. This will decrease utility bills, transportation costs, and environmentally attributable disease.

"Building affordable green housing is not a new concept," vice chair of NRDC's board of trustees Patricia Bauman said. "But Green Communities will broaden the ongoing efforts of developers, states, and cities and make it mainstream." The initiative also includes funding for policy advocacy and research and development on the subject of green affordable housing.

In addition to The Enterprise Foundation and NRDC, partners in the Green Communities Initiative include the American Institute of Architects, the American Planning Association, Bank of America, Blue Moon Fund, BP America, Fannie Mae, Freddie Mac, Global Green USA, The Home Depot Foundation, JPMorgan Chase, The Kresge Foundation, Low Income Housing Institute, Merrill Lynch Community Development Company, M&T Bank, National Center for Healthy Housing, and Washington Mutual. More information is available at www.enterprisefoundation.org/majorinitiatives/green/index.asp.

Housing in the Elections Presidential Candidate Questionnaire Now Online

With the November 2 election less than one month off, most voters have been exposed to political commercials, mailings, phone calls, and even the first presidential debate. However, it is unlikely they have heard the national candidates laying out their agendas for the future of affordable housing and community development.

To combat the lack of information about the candidates' plans, the Campaign for Housing and Community Development Funding (CHCDF), an education, strategy and action coalition of more than 100 national organizations, asked the Bush-Cheney 04 and Kerry-Edwards 04 campaigns to each answer eight housing and community development related questions. The question topics include: the availability of affordable housing, housing and community development funding, federal housing programs, the minimum wage, housing and other domestic priorities, housing and the economy, homelessness, and discrimination.

On August 2, 2004, CHCDF sent the questions to the Bush-Cheney 04 and Kerry-Edwards 04 Campaigns and requested a response by September 1, 2004. Each campaign was given an extension on the deadline. The Kerry-Edwards campaign responded by the second deadline. The Bush-Cheney campaign was unable to respond by the second deadline reporting that their answers had to be cleared by the White House and did not know when or if the answers would be available. Should CHCDF receive answers from the Bush-Cheney campaign, they will be made available.

The Kerry Campaign answers exactly as they were submitted to CHCDF can be read at www.nlihc.org/news/100404.html.

Some NLIHC members plan to share the questionnaire with clients during debate watch parties and other voter education events. Others have submitted similar questions to state and local candidates, and will make a voters' guide to distribute before Election Day. The questionnaire can be viewed and printed for distribution at www.nlihc.org/vrem.

For more on educate and mobilizing low income citizens, visit www.nlihc.org/vrem or contact Katie Fisher at 202-316-1722 or Katie@nlihc.org.

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Resources Voucher Accessibility Study Opens the Door for Nationwide Survey

HUD's Office of Policy Development and Research (PD&R) recently published the Housing Choice Voucher (HCV) Tenant Accessibility Study, prepared by Michael Shea of Westat, reviewing the experiences of persons with physical disabilities in the search for housing. While primarily focused on determining the feasibility of a larger national survey, researchers also conducted a small sample survey and focus groups discussing the voucher program's successes and failures with public housing authorities (PHAs), landlords, and persons with physical disabilities.

PD&R conducted its test survey by selecting a random sample of tenants in six different areas of the country and polling them about their search for accessible units. Due to the response rate of 69%, PD&R ascertained that a larger study on persons with physical disabilities in the voucher program would be both possible and useful.

In addition to this feasibility study, researchers scheduled interviews with PHA staff, while landlords and tenants with physical disabilities participated in focus groups. The various discussions showed that tenants with physical disabilities in the voucher program did not typically receive special assistance from PHAs in finding a place to live, although they did receive a list of landlords who rented to persons with physical disabilities. It was also found that their housing facilities included some modifications for their disabilities (such as a ramp) but usually did not fully accommodate their needs.

Further conclusions and changes will be made as PD&R plans to conduct a nationwide survey of persons with physical disabilities in the HCV program. To view this report, visit www.huduser.org/Publications/pdf/HCVTenantAccessibilityStudy.pdf.

American Indians Make a Plea for Housing

One day prior to the opening of the National Museum of the American Indian in Washington, DC, the National American

Capitol Hill (cont'd from p. 2) Hearing Set on Mortgage Fraud

The House Financial Services Subcommittee on Housing and Community Opportunity will hold a hearing October 7 on mortgage fraud and its impact on mortgage lenders. The hearing will take place at 10 am in room 2128 of the Rayburn House Office Building.

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/>.

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

Indian Housing Council (NAIHC) released a report on the housing needs of Native American families. The report and accompanying survey highlight housing issues that confront American Indians and also propose various means for solving the housing crisis.

According to a previous study conducted in 2003 by the U.S. Commission on Civil Rights, researchers found that 90,000 Native American families were homeless or lacked adequate housing. They were more than six times more likely to live in overcrowded or physically inadequate conditions than the average American. The study also showed that 200,000 more housing units needed to be created in order to help the worsening situation.

NAIHC's report supplemented these findings by asking 246 Indian housing authority members about issues of overcrowding and substandard housing on tribal lands. Of the many problems recorded, overcrowding stood out as one of the most detrimental, seen as an issue by 59% of members polled. Some residences housed as many as 18 to 25 people under one roof, sometimes in only three-bedroom homes. Overcrowding proved instrumental in the quick spread of sickness and disease throughout a household as well as heightened tensions between members of the household, resulting in disagreements and frustrations.

Other concerns raised were the fire death rate, mold, and the poor infrastructure that exists for basic needs such as drinking water, sewage, and electricity. Based on the most recent study on fire prevention (1998), researchers marked the fire death rate for American Indians as 2.6 times higher than the national average. This could be attributed to overcrowding, poor fire safety education, and substandard housing. Factors such as inadequate building materials and daily household activities contributed to the problem of mold, sometimes reported to be black mold, which can cause a variety of lung disorders. As for infrastructure problems, the report noted that 31,000 homes in Indian Country lacked safe drinking water. Additionally, 71,000 lacked access to basic sanitation, while 21,000 homes lacked both.

Housing authority members saw that these housing difficulties impacted children greatly. Unable to study or sleep in overcrowded conditions, children struggled to maintain good grades or even stay awake during class. At home, they faced the risk of inhaling second-hand smoke and sometimes were exposed to behaviors such as alcoholism and verbal or physical abuse. These home experiences coupled with relocations in search of adequate housing left young students with a distracted and disrupted school life.

Although the government promised the protection of and provision for Native Americans in return for their land during the westward expansion, authors of this publication did not feel that this promise had been fulfilled. Great leaps forward were made with the Native American Housing As-

(Continued from previous column)

sistance and Self-Determination Act of 1996 (NAHASDA), in which Native Americans received a \$65 million annual housing block grant. Advocates at NAIHC, however, want to see the grant raised to \$1.1 billion per year. The report concluded with a plea for more lawmakers to be involved in and aware of the struggles of American Indian housing. It included appeals to children's groups and health organizations to be defending the rights of Native Americans and also stressed the need for education to all on these issues. NAIHC can be contacted at www.naihc.indian.com.

Attaining the American Dream

The American Dream is becoming harder both to attain and to define, according to a recently released survey by the National League of Cities. Younger respondents were most likely to describe the American Dream as "living in freedom," while older respondents characterized it in terms of economic security. But regardless of definition, 67% of respondents agreed that that dream is becoming more difficult for the average person to attain.

More than one third of Americans feel that they have been "passed over" by the American Dream. Thirty-one percent of respondents either strongly or somewhat agreed that where they lived limited their ability to achieve the American Dream. People who are unemployed, African-Americans, women, single parents, and the poor are most likely to feel that the American Dream is out of reach, describing financial insecurity and poor public education as the greatest obstacles to success.

But despite these opinions, two thirds of Americans are optimistic that their children will have a fair shot at the American Dream. Seventy-two percent said that "the government should actively work to help people achieve the American Dream" through cooperation between federal, state, and local government to reduce crime and initiate economic development.

Based on the results of the survey, the National League of Cities issued a list of policy recommendations, from improving schools, local economies, and health care, to "putting affordable housing and homeownership within the reach of every American." The full report is available at www.nlc.org/nlc.org/site/files/pdf/American%20Dream_Report.pdf.

The State of Working America 2004/2005 Released

On October 1, the Economic Policy Institute released *The State of Working America 2004/2005* by Lawrence Michel, Jared Bernstein, and Sylvia Allegretto. In this report, housing advocates can find pertinent information about income, poverty, inequality in wages, and much more. Fact sheets from the book and ordering information are available at www.epinet.org/content.cfm/books_swa2004.

2003 AHS Report Available

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

drive. The resident was subject to the eight hours a month of community service requirement and she fulfilled it with her voter work. By this summer, having met their registration goals with the public housing residents, they branched out to the surrounding community. This PHA staff member personifies the ideal of who we should want to work for PHAs. She is creative, engaging, empowering, and absolutely non-partisan. This resident has learned to be assertive and committed to the well-being of her community. By any measure, theirs is a public housing success story.

Perhaps there is another explanation for the language in the Senate bill, but on its face, it looks like voter suppression. Inhibiting the potential for public housing residents to vote, the most basic behavior expected of citizens, at the same time they are told to become self-sufficient, is hypocritical. Talk about mixed messages. This provision must be stripped from the Senate Appropriations bill.

Resources *(cont'd from p. 5)*

Published in August 2004, the American Housing Survey (AHS) is a valuable reference for a wide variety of current housing statistics—from housing costs to household characteristics to vacancy rates. The 2003 AHS report is now available for download at www.census.gov/hhes/www/ahs.html.

NLIHC News

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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Fact of the Week

Share of occupied renter housing units with various rent reductions

	All units	Central Cities	Suburbs	Non-metro
No subsidy	80.5%	78.2%	82.9%	80.5%
Rent Control	2.5%	4.5%	1.3%	0.0%
Owned by PHA	5.3%	6.5%	3.5%	7.0%
Government Subsidy	6.1%	6.6%	5.4%	6.6%
Other, inc. verification	7.0%	7.4%	7.1%	5.1%
Subsidy not reported	1.1%	1.2%	1.0%	0.8%
Occ. Renter Units	33,604	15,599	14,041	4,965

*Includes families with income and excludes those with no housing costs.

Source: "American Housing Survey for the United States: 2003," publication tables. Tables 1a7, page 9; 1B-7, page 19; 1c-7, page 29; 1d-7, page 29. www.census.gov/prod/2004pubs/H150-03.pdf.



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.

National Low Income Housing Coalition
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