

MEMO OF MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

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National Housing Trust Fund

Support for Discharge Petition Grows

The number of Members of the House of Representatives signing the discharge petition for H.R. 1102, National Housing Trust Fund legislation, grew to 176 this week, including the first Republican to sign. Representative Rodney Alexander (R-LA) is one of the 17 Republicans who are co-sponsors of H.R. 1102. In signing, a Member signifies his or her support for bringing the bill directly to the floor of the House for debate and a vote.

Members have until Congress adjourns for recess, which appears to be imminent, to sign the petition, and then will again have the opportunity to sign it after Congress returns following the national elections on November 2, when they are expected to return for a "lame duck" session. More information is available at www.nhtf.org.

This week, Aysha House, Legislative Assistant for Representative Barbara Lee (D-CA), joined NHTF endorsers on their monthly conference call to discuss the discharge petition. She gave an inside look at the petition process and the work Ms. Lee and others were doing to push the National Housing Trust Fund in the House. Endorser calls are held on the first Thursday of every month at 3 pm Eastern Time.

Capitol Hill

House Hearing on Fannie Mae, OFHEO

Fannie Mae Chairman and CEO Frank Raines defended the company at an October 6 hearing on Capitol Hill against charges brought by its regulator, the Office of Federal Housing and Enterprise Oversight (OFHEO), that the government sponsored mortgage company manipulated its books and used improper accounting practices.

The hearing before the House Financial Services Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises included testimony from Mr. Raines, Armando Falcon, the Director of OFHEO, and Tim Howard, Chief Financial Officer of Fannie Mae.

In his opening statement, House Financial Services Committee Chair Mike Oxley (R-OH) expressed concern that accounting policies and procedures, as well as corporate earnings and management compensation, may have been unduly in-

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

HUD

New FMR Rent Survey Uncertainty Grows

After the release of the 2005 Final Fair Market Rents (FMRs) on October 1, advocates in cities like Chicago and Boston needed an explanation for how expected increases from the proposed to the Final FMRs failed to materialize. Based on information in the preamble HUD published with the final FMRs, the results of random digit dialing surveys (RDDs) HUD completed after publishing the proposed FMRs appeared to be the culprit. Advocates in other areas such as Providence, RI were also interested in how the RDD results might explain the increases in their FMRs. HUD made the data available to those who asked, but in the areas that saw substantial geographic change, the data advocates saw appeared to raise more questions than it answered.

(See **HUD** on p. 4)

POINT OF VIEW

by Sheila Crowley, President

At a time when it seems that our country's political leaders could not be more divided along partisan lines, the announcement on September 23 of "A Bipartisan Platform for National Housing Policy" by two Republicans and two Democrats offers hope for some post November 2 sanity. Former HUD Secretaries Jack Kemp and Henry Cisneros showed us that statesmen still exist, those political leaders who rise above party affiliations to do what is needed to actually govern. Former National Association of Home Builders CEO Kent Colton, a Republican, and Nic Retsinas, Director of the Joint Center for Housing Studies at Harvard, a Democrat, co-authored the report with the two former HUD secretaries.

For low income housing advocates, this development offers more than the good news of bipartisanship that as historically characterized federal housing policy. The really good news is that the platform contains a lot of items that we can be very pleased about and none that are unacceptable. While some of the recommendations are not precisely as I would have written them, the language indicates a high degree of support for good affordable housing policy that has been lacking in the Bush Administration and among the majority leadership in the U.S Congress. Hopefully, Members of Congress who are in the majority party and who know the importance of federal housing programs in the districts will be able to use this platform to bolster their commitment to solving housing problems.

Among the 12 recommendations, which cover the range of housing policy issues from homelessness to fair housing, is one that may strike some as a non-policy issue.

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NATIONAL LOW INCOME
HOUSING COALITION

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

fluenced by senior management. Throughout the lengthy hearing, both OFHEO and Fannie Mae were criticized repeatedly by members of the committee. OFHEO was criticized for its investigation practices, and Fannie Mae for its accounting practices. Mr. Raines asserted that the charges against Fannie Mae are false and that Fannie Mae will work cooperatively with the regulator and the Security Exchange Commission to resolve the issues raised in the OFHEO report.

There was no indication that lawmakers will move forward with legislation to establish a new regulator or tighten up the regulation governing Fannie Mae and its sister government sponsored home mortgage lender, Freddie Mac. Legislation calling for closer regulation of the two has been introduced in both the House and Senate this year. The Senate measure, S. 1508, was approved by the Senate Banking Committee on April 1 (see *Memo*, April 5), but the Senate has taken no further action. The Bush Administration does not think that the Senate bill goes far enough in tightening oversight of the GSEs. The House has taken no action on H.R. 2575.

Confirmation Hearing for CPD Assistant Secretary Designate

On October 5, the Senate Banking, Housing and Urban Affairs Committee held a confirmation hearing for Pamela Hughes Patenaude, the HUD Assistant Secretary for Community Planning and Development (CPD) Designate. Currently, Ms. Patenaude is Assistant Deputy Secretary for Field Policy and Management at HUD. She testified that, as Assistant Secretary, she would work to increase homeownership among Americans of color and decrease chronic homelessness. When Senator and Ranking Member Paul Sarbanes (D-MD) asked Ms. Patenaude her plans to reduce chronic homelessness, she said that she would work to increase homeownership. Ranking Member Sarbanes pointed out that homeless people might not be prepared for the responsibilities of homeownership and asked Ms. Patenaude if rental housing was the best option for homeless people. She answered that it was an option. It is unclear when the committee will hold a vote to confirm Ms. Patenaude.

Appropriations Not Settled as Congress Adjourns

Congress was expected to adjourn by October 8 and is scheduled to return on November 15. A Continuing Resolution (see *Memo*, October 1), H.J. Res. 107, will fund government programs and operations at FY04

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levels until November 20.

While Congress is adjourned, observers expect that the appropriations committees' staff will develop an Omnibus Appropriations Bill that would include all of the appropriations bills that have not been signed into law prior to the pre-election adjournment. The VA-HUD bill would likely be included among these.

During the break, housing advocates will work with committee staff to ensure that there is adequate funding for Section 8 vouchers and all HUD programs. The Senate bill (S. 2825) is preferable to the House bill (H.R. 5041) because it restores nearly full funding for vouchers without cutting other housing programs. But there is still concern that HUD could use language included in the Senate bill to continue to place unreasonable constraints on the Section 8 voucher program. On Capitol Hill and in the field, a strong effort will be made to demonstrate the damage HUD's attempt to dollar-base the Section 8 program in FY04 has wrought in cities and towns around the country. This effort should help advocates to convince Members that these harmful practices should not be carried over into the FY05 budget. (See Budget Chart Update in this issue and at www.nlihc.org/news/081404chart.htm)

Advocates Object to Voter Suppression Provisions of Senate VA-HUD Approps Bill

NLIHC sent letters to the Senate Appropriations Committee this week urging removal of language from Section 224 of the Senate Appropriations Committee's VA-HUD spending bill, S. 2825, which prohibits housing authorities from using any federal funds for voter registration and other election-related activity (see *Memo*, September 24 and October 1). The letter stated that, "Section 224, like other forms of voter suppression, will inhibit the potential for public housing residents to vote, the most basic behavior expected of citizens."

In a separate letter to Senate Appropriations Committee Chair Christopher Bond (R-MO), the Public Housing Authorities Directors Association (PHADA) also sought the elimination of the language in Section 224. PHADA questions why housing authorities were singled out in this prohibition and notes that, "The proposal at hand runs counter to ... public housing's overall mission, in our view."

House Hearing on Mortgage Fraud

On October 7, 2004, the Housing and Community Opportunity Subcommittee of the House Financial Ser-

(See Capitol Hill on p. 4)

SPECIAL REPORT

FY04 VOUCHER FUNDING CRISIS WEEK 25

West Virginia Advocates Discuss Voucher Threats

On October 5, the West Virginia Association of Housing Agencies (WVAHA) hosted a discussion on the threats that West Virginia Section 8 Voucher holders face as the voucher crisis continues to worsen on Capitol Hill.

The discussion, led by John Martys, Executive Director of the Fairmont-Morgantown Housing Authority and President of WVAHA; Tony Bazzie, Executive Director of the Raleigh County Housing Authority and Chair of WVAHA's Legislative Committee; Barbara Sard from the Center on Budget and Policy Priorities; Jeff Woda, President of the Woda Group; and John Bohm of the National Association of Housing and Redevelopment Officials, reported to participants from all over the state about the threats to the program and helped them to develop a plan to advocate for full funding and against a dollar based budgeting system.

"It was a great opportunity for various stakeholders in the Section 8 Voucher Program to educate themselves about the threats to the program. Hopefully everyone came away from the meeting with an understanding of how best to advocate to save the program both statewide and nationwide," said Phyllis Gilberti with the National Alliance to End Homelessness.

Ms. Gilberti said that having a strong coalition of advocates in WV is crucial to saving the program. WV has very powerful members in their Congressional Delegation, including Senator Bryd, who sits

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!

Department of Justice

Comments Sought for Proposed ADA Accessibility Rule

The Department of Justice is seeking comments on a proposed rule that would update Americans with Disabilities Act (ADA) and Architectural Barriers Act (ABA) standards. The ADA prohibits discrimination on the basis of disability and sets design requirements for public and private facilities, while the ABA is for facilities designed, built, altered, or leased with federal funds. The U.S. Access Board, a federal agency, released guidelines for the new standards in July.

For the first time, the Access Board guidelines included provisions for the construction and renovation of long-term residential buildings. However, the section regarding accessibility for transient housing, such as hotels, was revised to exclude homeless shelters, group homes, and similar "social service establishments." The Department of Justice has stated that it plans to apply the residential standards to these facilities, bringing requirements more closely in line with HUD's Section 504 regulation.

Information about the Access Board's guidelines and a link to the Department of Justice announcement are available at www.access-board.gov.

People

Sard Receives Bryson Award

Barbara Sard, Director of Housing Policy at the Center on Budget and Policy Priorities and NLIHC board member, was awarded the David B. Bryson Memorial Award at the national meeting of the Housing Justice Network on October 4. The award, given in recognition of beloved and highly regarded housing advocate David Bryson, who died in 1999, is bestowed on someone with a record of substantial housing advocacy contributions locally and nationally. In her acceptance, Ms. Sard said that nothing could mean more to her than to receive an award in the name of David Bryson.

NLIHC Welcome New Staff

NLIHC is happy to welcome Mister Phillips to its staff. Mister will serve as staff attorney to NLIHC, where he will work on policy issues, including public housing, low income housing production and financing, and federal tax and budget issues. Mister comes to NLIHC from the Washington, DC Office of Consumers Union, where he was an Esther Peterson Fellow for the last year. He is a 2003 graduate of the University of California Hastings College of the Law. He can be reached at mister@nlihc.org or at 202/662-1530 ext. 250. Welcome, Mister!

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

vices Committee of the House of Representatives held a hearing on mortgage fraud and its impact on mortgage lenders. Witnesses for the hearing included: Inspector General of HUD Kenneth Donohue, Assistant Director of Criminal Investigations of the FBI Chris Swecker, Assistant Secretary of Housing and Federal Housing Commissioner of HUD John C. Weicher, Vice President and General Manager of Mortgage Asset Research Institute Inc. William Mathews, Senior Vice President of American Mortgage Network Marta McCall, Chairman of The Prieston Group Arthur J. Prieston, Staff Attorney of South Brooklyn Legal Services Brigitte Amiri, and National Field Director of ACORN Housing Corporation Ecima Trujillo.

Mr. Donahue of HUD testified that Federal Housing Administration (FHA) loans are more susceptible to mortgage fraud, because the majority of FHA loans are to first time homebuyers with scant credit history. For example, he testified that 75 percent of FHA loan applications in the Greater Phoenix Area were fraudulent. Mr. Donahue testified that fraudulent FHA loan applications tax the resources of both HUD and the FBI, which investigates mortgage fraud. He also testified that fraudulent FHA loan applications contribute to delinquencies among FHA homeowners, stating that one in four FHA mortgages are delinquent per month. Later in the hearing, Representative Nydia Velazquez (D-NY) stated that FHA foreclosures exceed the national average by approximately 7 percent. This leaves lenders with the bill.

Mr. Swecker of the FBI testified about several ways to decrease mortgage fraud. He suggested that Congress extend mandatory reporting requirements to the entire mortgage industry. According to Mr. Swecker, the requirements only apply to lenders. He believes the requirements should be extended more broadly, because more mortgage professionals than just mortgage lenders contribute to the problem of mortgage fraud. He said that 80 percent of mortgage fraud involves some sort of collaboration or collusion by mortgage professionals.

Several Members and witnesses focused on the impact of mortgage fraud and predatory lending on unsophisticated consumers. Representative and Ranking Member Maxine Waters (D-CA) stated that protecting unsophisticated consumers from predatory lenders was more important to her than protecting mortgage companies that have enough resources to protect themselves. She pointed out the complexity of the home loan process, increasing the potential for accidental misrepresentations by consumers. She also asserted that mortgage brokers may encourage consumers to misrepresent their finances on loan applications to ensure that their loans are approved.

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

The surveys were of renters in the 2005 Proposed FMR areas, not the FMR areas as they appeared the final data. For example, the RDD for Detroit only included renter households in Wayne County, the area defined as Detroit by the proposed FMR geography. It did not include the five other counties that are included with Detroit in the 2005 Final FMR geography.

The initial round of RDDs were in the field when HUD announced its decision to scrap the geography in the 2005 Proposed FMRs in favor of the areas it had used in 2004 and in previous years. Rather than delay implementation until all the problems were worked out, as NLIHC and many advocates requested, HUD "adjusted" the results from the completed RDDs using relationships derived from the 2000 Census. According to HUD sources, HUD is still in the process of completing the RDDs in areas such as Detroit, Boston, Chicago, and Washington. Despite this, there was nothing in the release of the 2005 Final FMRs to indicate that this occurred or that the FMRs and RDD results for affected cities were anything but final.

The validity of the adjustments HUD made and their significance remains uncertain at this time. With 29 RDDs officially still to be completed and at least four others (Boston, Chicago, Detroit, and Washington) in limbo, it remains unclear in which cities RDD activity remains underway and what if any steps HUD will take once all the RDD surveys are completed.

It will be some time until all the questions are answered. This new revelation, however, simply serves to underline the fact that advocates should consider the 2005 Final FMRs as published by HUD on October 1 as preliminary. HUD has extended the comment period until November 5, 2004. See www.nlihc.org/2005fmrs/index.htm for more information.

Update from the Field Low Income Housing Activity In Montana

During the week of September 27, Montana Housing Partners held its 2004 State Conference in Butte, Montana. The focus of the conference was on building housing partnerships, and the community celebrated a new home built by a consortium of partners to house disabled adults.

AWARE, a non-profit organization serving individuals and families with disabilities in Montana, and the Montana Home Choice Coalition led the effort to develop the housing duplex that will provide supportive services to eight disabled residents. Larry Noonan, Executive Director of AWARE, said, "It's a real-life example of how the public and private sectors can work together to leverage financing to build new housing for those most in need."
(See Update from the Field on p. 5)

Update from the Field

(cont'd from p. 4)

Fannie Mae, which is a member of the coalition, announced a new investment plan for Montana during the dedication of this home. This new \$2.5 billion investment for Montana is an extension of Fannie Mae's "HouseMontana" plan announced in 2000. Rob Levin, Fannie Mae's Executive Vice President for Housing and Community Development, stated that the new investment hopes to reach more than 25,000 families in Montana by providing low interest loans for first-time homebuyers. The plan also will invest in the construction and refinancing of supportive group homes for individuals with disabilities and will help bring conventional mortgage financing to American Indians.

During the conference, a number of innovative sessions were held on developing low income housing. On a session highlighting best practices for multifamily housing, Heather McMillan and Betsy Hands of HomeWORD described lessons they had learned while working on eight "environmentally responsible" affordable and mixed-income developments.

HomeWORD uses green building technologies such as straw bale insulation and the largest intertied photovoltaic panels in Montana to cut utility bills for homeowners and renters, and to "give back to the community by being good stewards," Hands said.

Key among HomeWORD's suggestions for developing green affordable housing were upfront planning involving neighborhood stakeholders, selecting project leaders with experience in green building, and partnering with a variety of organizations. HomeWORD itself has worked with local utility companies as well as government and private agencies.

HomeWORD also mentioned the holistic approach they take in assisting residents of their developments, from providing homeownership counseling to hiring low-income women from a local job-training program to help construct the homes. Hands is especially excited about their most recent development, which will feature a two-acre community garden, tilled by a biodiesel tractor.

Resources

Providing New Banking Options for Low-Income Families

In a new report from the Brookings Institute, Michael S. Barr analyzes the struggles of low- and moderate-income households in issues of finance and savings. Titled "Banking the Poor: Policies to Bring Low-Income Americans into the Financial Mainstream," Barr highlights the necessity of creating banking systems that work for low-income people, allowing them to save money—particu-

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larly to afford the purchase of a home, further education, or the attainment of other assets.

Barr begins his analysis of the current system by outlining why new kinds of banking systems would be beneficial for low- and moderate-income households. Because most low and moderate income families live paycheck-to-paycheck in order to pay for housing, utilities, and food bills, a medical or other emergency or even a temporary loss of income is liable to could put them deep into debt. Saving against such events is made more difficult because many of these families use alternative funding services (AFS) for their banking needs. These services, such as check cashers and payday lending, add a charge for their services, which takes away from the employee's already minimal earnings, preventing saving for a child's college education, further skills training, or homeownership.

Reasons for not using traditional banking systems range from the unavailability of banks in neighborhoods to lack of financial education to bank costs, like balance minimums and bounced check charges. Although the government did work to assist these families in the 1990s, Barr provides several new proposals for the provision of their financial needs, based on his analysis. Ideas include a "First Accounts Tax Credit" that lowers costs for electronic-banking and the utilization of the Community Reinvestment Act (CRA) to evaluate the banking available to low-income families. Barr also mentions the need for financial education, the reformation of the AFS sector, and the installation of Temporary Assistance for Needy Families (TANF) recipients into the banking system.

To view this report, please visit: http://www.brookings.edu/metro/pubs/20041001_Banking.pdf.

Food Stamp Use More Extensive than Previously Thought

The Joint Center for Poverty Research recently published a report on food stamp participation in the United States. In the report, Mark R. Rank of Washington University and Thomas A. Hirschl of Cornell University develop what they term "a fundamentally different method of measuring food stamp participation in the United States." Using this method, the authors generate estimates of food stamp participation that indicate the utilization of food stamps is considerably more widespread among children under age 20 and adults ages 20 to 65 than commonly thought.

According to previous studies, 7 to 10% of the population uses food stamps at any given time. Using this statistic in conjunction with estimated life course probabilities and recorded patterns of food stamp use, Rank and Hirschl estimated that 49.2% of children used food

(See **Resources** on p. 7)

Housing in the Elections In Ohio, Voter Registration Moves to Mobilization

On Monday October, 4, the last day of voter registration in Ohio, numerous reports flooded in from across the state that record numbers of new voters had been registered. In fact, in some counties, such as Franklin County, the Board of Elections was reporting nearly 100% of its eligible voters are now registered.

While a success for voter registration groups across the state, most seasoned campaigners know that registering voters is only the beginning. Newly registered voters must also vote to have their voice heard. Thus, groups interested in increasing voter participation in Ohio are now faced with the task of making certain the people they registered show up at the polls on November 2.

The Coalition on Homelessness and Housing in Ohio (COHHIO), along with more than 1,000 local organizations, has developed a four-step plan to do just that in the low income neighborhoods they serve.

“The excitement among low income and homeless voters in this election has really energized all the housing and homeless advocates in this state. We have come together to create what we think is a great plan to educate and mobilize the new and infrequent low income voters of Ohio,” Said Bill Faith, Executive Director of COHHIO and NLIHC Board Chair.

The first step in this comprehensive plan to get people to the polls is to ensure that all agencies in the state serving low income and homeless people have been “voterized,” meaning they hang up, hand out, and wear nonpartisan posters, flyers, t-shirts, stickers, grocery bags, and much more. Each displays the same message: “November 2—We Decide. Our Voice is Our Vote.” The goal is to guarantee that each time a low-income person enters an agency for assistance they get the message of the importance of voting on November 2.

The voterization process also includes handing out nonpartisan information about the critical issues facing low income voters in this election year. (To view and order some of these materials for your agency, please visit: www.nlihc.org/vrem).

Once agencies have been voterized, in the second step the staff, volunteers, clients, and concerned citizens will turn their attention to educating the new and infrequent voters about the issues of this election. On October 23, all over the state, there will be door to door campaigns launched in which volunteers will take door hangers to each registered voter in the community detailing the potential cuts to critical programs.

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Then, as the third step, between October 30 and November 2, Election Day, groups will focus on making sure voters know when and where to cast their vote. Each city is in the process of developing a specific plan and list of events where new and infrequent voters can be handed information about how to vote.

For example, some organizations are planning Halloween parties where they will distribute the usual Halloween candy and party favors but will also have information available for voters about the location of their polling place and a number they should call if they need a ride to the polls or experience trouble at the polls. Other groups are organizing phone banks and door-to-door campaigns to remind voters they need to get to the polls on November 2. Still others are planning on standing in high traffic areas with flyers, bullhorns, and signs reminding people to stop on their way to or from work and cast their ballots.

All of these events to get out the vote (GOTV) will be complemented by a mailing from COHHIO, which will be in mailboxes on November 1 with the specific polling location for registered voters in that household.

In the final step, local groups are planning a massive voter protection operation in many of the precincts with a large low income population. This operation includes poll monitors who will be at the polling booths on Election Day to help voters combat any problems they face once they arrive at the polls. It also includes a team of lawyers ready to extinguish any illegal voter suppression tactics that have been known to take place in precincts with a high population of low income voters.

The Election Protection team will also be armed with electronic and paper lists of all the polling places so they can direct any voter to the correct polling location.

To learn more about the low income and homeless GOTV operation in Ohio, Cathy Johnson at 614-280-1984 or cathyjohnson@cohhio.org.

Voter Suppression Seen in Recent Indian Health Service Policy

This week *The Washington Post* reports that the Indian Health Service informed its hospital and clinic directors that voter registration in IHS facilities would not be allowed. According to the *Post*, “Several of those involved in the registration effort questioned what they saw as a double standard, given that the federal government encourages registration on military bases, where voters traditionally favored Republicans.” The *Post* also notes that a 1992 memo from the General Services Administration, which controls federal buildings, authorizes voter registration on federal property.

Resources

stamps by the age of 20. This figure increased significantly in single-parent homes where researchers find that 91.2% of children living in these households for their entire childhood used food stamps. African American children have a food stamp usage rate of 89.9%, while children in households whose head has less than 12-year level of education have a rate of 62%. The researchers projected that 50.8% of all adult Americans used food stamps at some point between their 20th and 65th year. Race, education level, and gender factors also had an effect on the use of food stamps for adults.

The researchers state that their “findings are consistent with earlier work that has examined the life course patterns of poverty, as well as the bulk of research that has examined the spell dynamics of poverty and welfare use.” With these findings, the researchers strive to show that food stamps are used by a variety of people, and who uses them depends heavily on factors such as marital status, race, education, and gender. For more information, view this report at:

http://www.jcpr.org/wpfiles/rank_hirschl.pdf?CFID=1778207&CFTOKEN=65422323

Urban Institute Continues to Investigate HOPE VI

In an attempt to answer the question, “What happens to the relocated tenants of HOPE VI?” the Urban Institute hosted Susan Popkin and three other panelists in an October 5 forum to discuss her ongoing research on this topic. Titled “How are Families from America’s Worst Public Housing Faring?” panelists explored successes of the HOPE VI program, as well as resources still needed in order to enable self-sufficiency for participants.

Begun in 1992, HOPE VI originated in order to replace already dilapidated public low-income housing with new, mixed-income neighborhoods. However, this meant that the tenants of the existing housing systems needed to be moved and relocated until the housing project was finished. The research presented comes from an ongoing Urban Institute study looking at five different HOPE VI sites and following where the tenants moved, how they moved, and what happened as a result of their move.

One concern raised in the implementation of HOPE VI was that, as a result of the displacement, many people would become homeless. Popkin and her team of researchers found that two-thirds of the original tenants decided to move. Many received Section 8 housing vouchers and moved to other areas. Others either relocated to other public housing or found a place to live unassisted by housing authorities. A small percentage of people in the “unassisted” category became homeless. In the majority of cases, quality of both housing

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and the neighborhoods where tenants moved improved from the original residence. However, while some moved from a high- to a low-poverty neighborhood, standards of living in new residences were often still sub par.

The team’s second focus looked at whether people became self-sufficient as a result of the move—another goal of the HOPE VI program. Results were not as positive, especially in areas of income and health. Researchers found that two-thirds of respondents made less than \$10,000 a year, and 40% earned less than \$5,000. As a result, they prioritized costs such as rent and utilities, so money did not get spent on food and other necessities. Health also suffered significantly as respondents struggled with obesity, hypertension, asthma, diabetes, and depression (17% of respondents).

The remainder of panelists confronted the issues raised by researchers, mainly by addressing concerns about self-sufficiency. Luella Johnson of the Wheeler Creek Community Development Corporation expressed that, in order for economic self-sufficiency to occur, families’ basic needs—food, job, etc.—had to be met. Her company’s strategy is to make partnerships with organizations such as the Department of Health, the Office of Aging, and employment agencies in order to bring necessary services to the people who need them most. “By identifying these resources and collaborating with them,” Johnson said, “we can move the HOPE VI families to self-sufficiency.”

The third panelist to speak, Olivia Golden, a Senior Fellow at the Urban Institute, looked specifically at targets that need to be tackled both in employment and childcare. Her areas of targeted concerns included providing people access to work support—food stamps, childcare subsidy—as well as giving support to parents and families during transitional times.

A final word came from Dr. Randi Abramson, the Medical Director at Bread for the City, and the panel’s official “in the field” representative. Abramson emphasized how many services must be provided for low income or homeless people to have a good chance at achieving self-sufficiency. Recounting her experiences in the health care field, Abramson mentioned a few of the key health difficulties plaguing low income and homeless people that must be addressed, such as untreated mental and physical problems and incorrect food choices due to lack of access to healthful foods.

Only mid-way through the study, Popkin and her research team will continue to find answers to this question among many others. More information on this report and information on the HOPE VI program can be found at: www.urban.org/template.cfm?navmenuid=554&Template=/TaggedContent/RoofOverTheirHeads.cfm.

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

It is, however, extremely important. The authors call for the establishment of university-based programs to train the nation's housing professionals, including the development of a two-year master's level curriculum in housing and community development. "Housers" know that we come from a wide array of academic disciplines that has made for interaction that has enriched the field. But housing is too basic a human need and too fundamental to the social and economic well-being of our country to leave the development of the next generation of leaders to happenstance.

I applaud the four authors of "A Bipartisan Platform for National Housing Policy" for their commitment to good government and for valuing pragmatic problem solving over ideology. Thank you for your leadership.

NLIHC Staff

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Fact of the Week

HOPE VI Participants' perceptions of current neighborhood by housing assistance status (in percent)

	Baseline (2001)	Nonmovers Follow-up (2003)	Movers Follow-up (2003)		
			Public Housing	Voucher	Unassisted
Big problems With drug selling	77	72	45	23	17
Big problems with With shootings and violence	66	48	32	11	21
Feel very or Somewhat safe outside house at night	55	57	68	83	74
Feel new neighborhood is safer than original	NA	NA	7	80	87

Source: "An Improved Living Environment? Neighborhood Outcomes for HOPE VI Relocateses," brief no. 3. Table 3. http://www.urban.org/UploadedPDF/311059_Roof_3.pdf



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.

HUD FY2005 Budget Chart for Selected Programs

HUD Program (set-asides indented)	FY00 Enacted	FY01 Enacted	FY02 Enacted	FY03 Enacted ¹	FY04 Request	FY04 Enacted ²	FY05 Request	FY05 House Committee	FY05 Senate Committee
Housing Certificate Fund ³	\$11,376	\$13,941	\$15,641 ⁴	\$17,112 ⁵	\$0 ⁶	\$19,257 ⁷	\$18,465 ⁸	--	\$20,708 ⁹
Tenant-based rental assistance ¹⁰							12,974	13,510 ¹¹	14,014
Housing Assistance for Needy Families	--	--	--	--	13,607 ¹²	0	0	--	--
Contract Renewals	10,640	12,972	15,085 ¹³	16,633 ¹⁴	13,047 ¹⁵	19,001 ¹⁶	18,196 ¹⁷	--	--
New Section 8 Vouchers	346	453	144 ¹⁸	0 ¹⁹	36 ²⁰	0 ¹⁹	0 ¹⁹	0	0
Project-Based Rental Assistance	--	--	--	--	4,823 ²¹	0 ²²	-- ²³	5,341 ²⁴	5,020
Contract Administration	194	192	196	195	100	100	102	102	102
Public Housing Capital Fund	2,900	3,000	2,843 ²⁵	2,712 ²⁶	2,641 ²⁷	2,695 ²⁸	2,674 ²⁹	2,580 ³⁰	2,700
Resident Opp'ty & Self Sufficiency	55	55	55	55 ³¹	55 ³²	55 ³³	55 ³⁴	53	55
Public Housing Operating Fund	3,138	3,242	3,495	3,577 ³⁵	3,574 ³⁶	3,579	3,573 ³⁷	3,425 ³⁸	2,610 ^{39,40}
Drug Elimination Grants	310	310	0 ⁴¹	0	0	0	0	0	0
HOPE VI	575	575	574	570 ⁴²	0 ⁴³	149 ⁴⁴	0	143	150
Native American Housing Block Grants	620	650	649	645	647	650	647	622	650
Native Hawaiian Housing Block Grant	--	--	--	10 ⁴⁵	10 ⁴⁶	9 ⁴⁵	10 ⁴⁶	-- ⁴⁷	10
Elderly Housing (Section 202)	710	779	783	778 ⁴⁸	774 ⁴⁹	774 ⁵⁰	773 ⁴⁹	741 ⁵¹	774
Disabled Housing (Section 811)	201	217	241 ⁵²	249 ⁵³	251 ⁵³	249 ⁵³	249 ⁵³	238 ⁵⁴	250
Rental Housing Assistance	--	--	--	0 ⁵⁵	0 ⁵⁶	0 ⁵⁶	0 ⁵⁷	0	0
HOME Investment Partnership Prog.	1,600	1,800	1,846	1,987	2,197 ⁵⁸	2,005	2,084	1,920	2,050
Downpayment Assistance	--	--	50 ⁵⁹	75 ⁶⁰	200	87 ⁶¹	200	85	50
Housing Counseling Assistance	15	20	20	40 ⁶²	45	40	45 ⁶³	38	45
Community Dev't Block Grants	4,800	5,057	5,000 ⁶⁴	4,905 ⁶⁵	4,732 ⁶⁶	4,921 ⁶⁷	4,618 ⁶⁸	4,711 ⁶⁹	4,950 ⁷⁰
Self-Help Homeownership Opp'ty	20	20	22	25	65	27	65	26	25
Youthbuild	42.5	60	65	60	65	65	65	62	65
Economic Development Initiative	256	292	294	259	0	276	0	137	126
Homeless Assistance Grants	1,020	1,025 ⁷¹	1,123 ⁷²	1,217 ⁷³	1,325 ⁷⁴	1,260 ⁷⁵	1,257 ⁷⁶	1,206 ⁷⁷	1,260
Shelter Plus Care Renewals	0	100	0	0	0	0	0	--	186
Samaritan Housing	--	--	--	--	50 ⁷⁸	0	50 ⁷⁸	0	0
Emergency Food and Shelter ⁷⁹	110	140	140	152 ⁸⁰	153 ⁸¹	153 ⁸⁰	153 ⁸¹	153 ⁸²	153 ⁸³
Housing for Persons with AIDS	232	258	277	290	297	295	295	282	295
Rural Housing and Economic Dev't	25	25	25	25	0	25	0	24	25
Brownfields Redevelopment	25	25	25	25	0	25	0	24	25
Fair Housing Assistance Program	20	22	26	26	30	28	27	26.5	27
Fair Housing Initiative Program	24	24	20	20	20	20	21	19.5	20.7
Lead-Based Paint Hazard Reduction	80	100	110	175 ⁸⁴	136	174 ⁸⁴	139	167	175
Salaries and Expenses	1,005	1,070	1,097	1,083	1,112	1,116	1,179	1,117	1,179
TOTAL (Discretionary)⁸⁵	\$26,496⁸⁶	\$30,309⁸⁶	\$30,149⁸⁷	\$31,245	\$31,300	\$30,415	\$31,264	\$32,579	

1 Takes into account 0.65% across-the-board cut.

2 Takes into account 0.59% across-the-board cut.

3 Includes \$4.2 billion in advance appropriations in all cases.

4 Represents actual spending of \$16.3 billion, using \$640 million from the reduction of Section 8 reserves and provides for \$1.2 billion in rescissions.

5 Provides for \$1.6 billion in rescissions.

6 Tenant-based and project-based housing assistance would no longer be funded through Housing Certificate Fund but separated into a tenant-based voucher program called Housing Assistance for Needy Families (HANF) and Project-Based Rental Assistance. HANF will be block granted to the states in FY05. Congress did not approve change.

7 Includes \$2.259 billion in rescissions.

8 Includes \$1.557 billion in rescissions

9 Includes a \$2.588 million rescission. Includes a cap of 2% on funding for increased voucher utilization; provides for some adjustments to voucher costs.

10 The FY05 House Appropriations Committee bill separates tenant-based assistance from project-based assistance, instead of including them in one account (the Housing Certificate Fund).

11 Committee report language (1) allows HUD to continue a new, flawed practice of "dollar-based" funding for individual housing agencies which has led to higher rents for families and fewer people being served off the waiting list; (2) reduces agencies' reserves to only one week; and (3) cuts administrative fees. These measures will reduce the number of families that can be served, undermine private sector landlords' and banks' faith in the program, and threaten agencies' ability to manage the program effectively.

12 Includes unobligated balances transferred from the Housing Certificate Fund.

13 Represents actual spending of \$15.7 billion, using \$640 million from the reduction of Section 8 reserves from two months to one month.

14 Includes \$15.3 billion for renewals plus a central fund of \$392 billion and \$1.08 billion in administrative fees (but does not include \$48 million for FSS coordinators or \$234 million in tenant protection vouchers). Directs HUD to use central fund to replenish public housing agency (PHA) reserve accounts when PHAs expend one-half of their reserves; directs HUD to provide quarterly reports on project-based opt-outs, prepayments and repair needs.

15 Includes \$11.4 billion for HANF tenant-based renewals, \$1.2 billion for administrative fees, and \$473 million of \$609 million central fund (from which \$36 million for incremental vouchers and \$100 million for capacity building funds for states are subtracted). Does not include project-based renewals, \$252 million in tenant protection vouchers, \$72 million for Family Self Sufficiency (FSS) coordinators, or \$100 million to replenish PHA reserves used in FY03

16 Includes \$12.811 billion for voucher renewals, \$136 million in Central Reserve Fund (with \$100 million to replenish reserves used in FY03), \$1.235 billion for administrative fees (including \$20 million for tenant protection vouchers) and \$4.819 billion for project-based renewals. Does not include \$206 million for tenant protection vouchers or \$48 million for FSS coordinators.

17 Proposes making vouchers into block grant to PHAs called the Flexible Voucher Program. Includes \$11.9 billion for voucher renewals, \$5.020 billion for project based renewals, a central fund of \$100 million and \$1.176 billion for administrative fees and performance-based fees and bonuses. Does not include \$163 million for tenant protection vouchers. FSS coordinators not funded.

18 Funds 26,000 new vouchers, with 18,000 fair share vouchers for PHAs with high utilization rates and 8,000 for certain non-elderly disabled families.

19 Directs HUD to provide incremental vouchers previously issued for non-elderly disabled families to be reissued to such families.

20 Funds 5,500 vouchers for certain non-elderly disabled families; additional vouchers to be distributed to states may be funded by the central fund if available, subject to broad statutory and regulatory waiver authority.

21 Funds renewal of project-based housing assistance contracts; includes \$300 million in carryover funds rescinded and re-appropriated.

22 Assumes \$4.819 billion for renewal of project-based contracts, but not in a separate account, as requested by HUD.

23 Assumes \$5.020 billion for renewal of project-based contracts.

24 Includes \$4.990 billion for Section 8 contract renewals, \$207 million for mod-rehab contracts, \$20 million for SRO contracts and \$123 million for administrative fees (\$102 million for Section 8 contract administrators, \$20 million for mod-rehab administrative fees and \$1.9 million for the working capital fund).

25 Includes \$15 million for the Neighborhood Networks Initiative and \$10 million in remediation funds for troubled PHAs.

26 Sets aside \$447 million for capital and management activities for PHAs that have obligated all assistance for FY98 through FY01; directs HUD to provide a report by August

7, 2003 on PHAs that have used private financing to meet capital needs.

27 Proposes public housing reinvestment initiative (PHRI), with conversion of public housing to project-based voucher assistance to facilitate private financing for capital needs, combined with up to \$131 million in loan guarantees.

28 Does not include PHRI proposal.

29 Does not propose PHRI program; includes \$5 million for Freedom to House Demonstration program to test the advantages and disadvantages of a locally determined public housing program.

30 Does not include the Administration's proposed Freedom to House public housing demonstration initiative.

31 Follows Administration's request to make this a set-aside within the Public Housing Capital Fund rather than CDBG.

32 Set-asides of \$40 million in Public Housing Capital Fund and \$15 million in Public Housing Operating Fund.

33 Set-aside within Public Housing Capital Fund only.

34 Set-aside within Public Housing Capital Fund.

35 Includes \$10 million for anti-drug programs in public, Indian and federally-assisted low income housing administered by the Department of Justice; authorizes the use of up to \$250 million for FY02 operating cost needs, but prohibits use of funds from FY04 or later for FY03 public housing operating costs and instructs HUD to report by May 15, 2003, on actions taken to address the practice of using current year funds for prior year costs.

36 Includes \$15 million for ROSS.

37 Includes \$15 million to fund a Voluntary Incentive Bonus Account to promote graduation so that more families can share in limited housing resources.

38 Does not include the Administration's proposed Graduation Incentive program.

39 Includes \$15 million for the Administration's proposed Graduation Incentive Program.

40 Funding reduction is reflective of a shift to calendar year (instead of fiscal year) funding in 2005.

41 The conference report noted that PHAs are allowed to use their operating and capital funds for anti-crime and anti-drug efforts.

42 Reauthorizes HOPE VI through the end of FY04.

43 No funding requested because HUD claims enough funding has been committed to meet 1992 demolition goals, with significant funds in pipeline.

44 Includes \$4 million for technical assistance and contract expertise.

45 To be funded under CDBG rather than under its own account as the Administration requested.

46 To be funded under its own account.

47 The House Committee chose to continue funding for this program within the Community Development Fund, which identifies \$9 million for the Native Hawaiian Housing Block Grant program for FY05.

48 Provides \$50 million for service coordinators and \$25 million for conversion to assisted living.

49 Provides \$53 million for service coordinators and \$30 million for conversion to assisted living.

50 Provides \$50 million for service coordinators and \$30 million for conversion to assisted living.

51 Includes \$654 million for new construction and rental assistance, \$48 million for service coordinators, \$15 million for pre-development grants and \$25 million for conversion to assisted living.

52 Includes \$23 million for the renewal of tenant-based assistance, rather than renewing under the Housing Certificate Fund.

53 The Secretary may designate up to 25% for tenant-based assistance.

54 Includes \$196 million for new construction and rental assistance, \$2.3 million for PRAC renewals, \$10 million for incremental rental assistance and \$29 million for tenant based contract amendments.

55 Recaptured Section 236 budget authority would be rescinded, despite Senate proposal to make up to \$100 million available for rehabilitation grants.

56 \$303 million in recaptured Section 236 budget authority is rescinded.

57 \$675 million in funds for amendment of Rent Supplements contracts would be cancelled.

58 Includes \$25 million for lead hazard reduction demonstration program.

59 Appropriation subject to authorization; there was no authorization by June 30, 2002 and the funds were rescinded in FY02 Supplemental Appropriations.

60 Appropriation subject to authorization. Authorization occurred with signing of American Dream Downpayment Act (S.811) on Dec. 16, 2004 making the FY03 funds available in FY04.

61 Total funds available in FY04 includes \$75 million from FY03 for a total of \$162 million.

62 Remains a set-aside within HOME.

63 The President's request would change this program from a set-aside within the HOME program to a stand-alone program, with \$5 million targeted for the proposed FHA Zero Downpayment program.

64 Includes \$4.3 billion in CDBG formula block grants and \$659 million in set-asides.

65 Includes \$4.4 billion for formula grants; does not change the CDBG formula or fund the Colonias Gateway Initiative.

66 Includes \$4.4 billion for formula grants and \$16 million for the Colonias Gateway Initiative, among other set-asides.

67 Includes \$4.3 billion for formula grants and \$225 million in set-asides, but does not fund the Colonias Gateway Initiative.

68 Includes \$4.3 billion for formula grants, \$10 million for the Development Challenge pilot program to encourage coordination in community development, and \$5 million for a pilot program to increase faith-based organizations' involvement in community development.

69 Includes \$4.3 billion for CDBG formula grants and \$69 million for Native American Community Development Block Grants.

70 Includes \$4.548 billion for CDBG formula grants.

71 Maintains the requirement that 30% of funds be used for permanent housing. Shelter Plus Care renewals are funded separately.

72 Includes Shelter Plus Care renewals, maintains 30% requirement for permanent housing, and provides \$500,000 for Interagency Council on Homeless (ICH).

73 Includes Shelter Plus Care renewals and maintains 30% requirement for permanent housing. ICH funded as separate agency at \$1.5 million. Also funds \$10 million two-year demonstration of programs and best practices.

74 Includes \$194 million for Shelter Plus Care renewals, maintains 30% requirement for permanent housing and provides \$1.5 million for ICH. The Administration will submit legislation to consolidate competitive McKinney-Vento programs.

75 Includes Shelter Plus Care renewals and maintains 30% requirement for permanent housing. ICH funded as separate agency at \$1.5 million. Also provides \$12 million for national homeless data analysis project and technical assistance.

76 Includes Shelter Plus Care renewals, maintains 30% requirement for permanent housing and provides \$25 million for Prisoner Re-Entry Initiative. ICH funded as separate agency at \$1.5 million. The Administration will submit legislation to consolidate competitive McKinney-Vento programs.

77 Includes full Shelter Plus Care contract renewal funding and maintains 30% requirement for permanent housing and a 25% match for social services. Does not provide funding for the Administration's Prisoner Re-entry initiative. Does not provide funding for the Administration's Samaritan Initiative.

78 Proposed competitive grant program in a broader interagency effort to combat long-term homelessness. Administration will submit legislation.

79 EFSP was a part of FEMA's budget until FY05.

80 Rejects Administration's proposal to move EFSP to HUD from FEMA.

81 This program would be transferred from FEMA to HUD.

82 The House's FY05 bill for the Department of Homeland Security, which now includes the Emergency Food and Shelter Program from FEMA, puts funding at \$153 million.

83 The Senate's FY05 bill for the Department of Homeland Security, which now includes the Emergency Food and Shelter Program from FEMA, puts funding at \$153 million.

84 Includes \$50 million set-aside for an urban lead hazard reduction demonstration program.

85 This is overall total for HUD's discretionary spending. As the chart shows selected programs, does not include all of HUD's programs and other expenses, and may include programs *proposed* for HUD's appropriation, the numbers above will *not* total the amounts listed at this line. In addition, there is inconsistency from year to year within HUD's own budget documents as to total amount requested and enacted, as HUD makes retroactive adjustments. *This chart shows "net" totals. Recent versions of this chart, through FY04 enacted, used a combination of gross and net totals because net figures were not available in all cases (so total figures from prior chart versions are different from this chart).*

86 "Net" figures provided because total figures are not available. This makes it difficult to compare totals across columns.

87 This total does not include \$2 billion in emergency supplemental funds in connection with recovery from September 11, 2001 terrorist attacks.