



MEMO MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

NATIONAL HOUSING TRUST FUND

Decision on \$1.065 Billion for NHTF Delayed Again

The U.S. Senate ended the June work period and left for the July 4th recess without acting on H.R. 4213, the American Jobs and Closing Tax Loopholes Act of 2010 (the extender bill). However, two elements of the bill, extension of unemployment benefits and the homebuyer tax credit, were decoupled from the larger bill and brought up separately.

Both the Senate and the House passed the extension of the tax credit, but the Senate once again failed to get enough votes to preempt a filibuster of the bill extending unemployment benefits. The final cloture vote before recess lost 59-37. Maine Senators Olympia Snowe and Susan Collins, both Republicans, joined Democrats to get to 59 votes. But the death of Senator Robert Byrd (D-WV) this week meant there was one less Democratic vote, and one short of the necessary 60 votes for cloture. Benefits will expire for 2 million unemployed workers before Congress returns.

The Senate could take up a version of H.R. 4213, which includes a number of extensions of business-related tax credits as well as the funds for the NHTF and three important provisions related to the Low Income Housing Tax Credit program after the July 4th recess. All these provisions are paid for by closing several tax loopholes that benefit certain business interests. Some pro-business groups have indicated they are less interested in the "extenders" passing if they come at the cost of increased taxes.

The NHTF campaign has urged House and Senate leaders to attach the NHTF to whatever legislative vehicle is sure to pass.

Advocates should stress to their Senators while they are in home districts over the recess that you want action on the NHTF as soon as the Senate reconvenes.

PETRA WATCH

Additions Posted to PETRA Watch

NLIHC has added an article from the July 2 newsletter of the Council of Large Public Housing Authorities and a new two-

pager from the National Alliance of HUD Tenants to our PETRA Watch site.

In addition, HUD updated the Frequently Asked Questions section of its existing Transforming Rental Assistance site on July 1. It can be accessed via NLIHC's PETRA Watch site.

Have something you think should be included? Please email documents or links to linda@nlihc.org.

Visit PETRA Watch at: <http://www.nlihc.org/template/page.cfm?id=262>

CAPITOL HILL

Congress on Recess

The House and Senate have adjourned for Independence Day recess. Both will return for legislative business on July 12.

House Passes Dodd-Frank Wall Street Reform with Housing Provisions

Taking a further step toward enacting a wide-ranging bill that would reform the way financial institutions are regulated and provide significant protections for consumers, the House passed the conference report for the Dodd-Frank Act (H.R. 4172) on June 30 by a vote of 237-192.

Now that the final report language has been made public, advocates have more details on the housing-related provisions included in the report (see Memo, 6/25). Of particular interest to housing advocates, the bill would extend the Protecting Tenants at Foreclosure Act (PTFA), provide additional funds for the Neighborhood Stabilization Program (NSP), establish a new program to help out-of-work homeowners, provide for a grant program to support the provision of legal services in connection with foreclosures, and require the HUD Secretary to develop a program to refinance troubled multifamily mortgages.

More broadly, the bill would reform the way financial institutions are regulated; establish a consumer protection agency to ensure consumers get accurate information about mortgages, credit cards, and other financial products; eliminate predatory lending practices; and make other significant reforms designed to prevent another financial crisis.

Section 1484 of the act would extend the sunset date for PTFA from its current date of December 31, 2012, to December 31, 2014. It also clarifies that any lease or tenancy created prior to the change of title as a result of foreclosure is protected by PTFA.

A third round of funding for NSP of \$1 billion is to be allocated to state and local governments consistent with the formula used to allocate the first round of NSP funds, with a \$5 million state minimum. States and localities would be required to “create preferences for the development of affordable rental housing” with these funds. The bill would also amend the NSP program to make it easier to use vacant properties to house lower income families. By statute, 25% of NSP funds must be used to house families whose incomes do not exceed 50% of area median.

Section 1496 of the Dodd-Frank Act creates a new program that would provide \$1 billion for bridge loans to qualified unemployed homeowners with reasonable prospects for reemployment to help cover mortgage payments until they are reemployed. The program would become effective October 1, 2010.

Under Section 1498, the HUD Secretary is required to establish a program for making grants to provide foreclosure legal assistance to low and moderate-income homeowners and tenants in matters related to homeownership preservation, home foreclosure prevention, and tenancy associated with home foreclosure.

Section 1481 would require the HUD Secretary to develop a program to provide sustainable financing for multifamily properties facing foreclosure. This financing would have to be an amount sufficient to protect tenants and successfully operate the property based on its current rent structure.

The Senate will consider the conference report after the July 4 recess. As was true in the House, the Senate must vote the conference report up or down without amendment, and 60 votes are needed to bring the report before the Senate.

House T-HUD Subcommittee Marks Up FY11 Bill

Moving ahead without a completed budget agreement (see following article), the House Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies (T-HUD) approved its FY11 appropriations bill on July 1. The T-HUD Subcommittee bill would provide \$46.579 billion in discretionary funds for HUD, over \$1 billion more than the President’s request (see Memo, 2/5). The bill passed the Subcommittee by a voice vote.

Subcommittee Chairman John Olver (D-MA) said at the

mark up that the bill “maintains sufficient funding levels for HUD’s affordable housing programs and keeps millions of low income Americans in their homes.” The Chairman added that he recognizes that “the demand for housing assistance continues to outweigh the resources available,” and notes that the Committee chose to strengthen HUD’s existing programs rather than “embarking on new initiatives” proposed by the Administration.

Overall, the Committee proposes improvements to the President’s budget by increasing the public housing capital fund, maintaining funding for programs the Administration proposes to cut, and providing support for programs serving vulnerable populations with special needs.

HUD’s major new proposal, now known as the Preservation, Enhancement and Transformation of Rental Assistance (PETRA) initiative, would not receive funding in the Subcommittee’s bill. The Administration had requested \$350 million for PETRA in FY11. HUD’s newly proposed Catalytic Investments Competition Grants, which would be released in tandem with HUD’s proposed Choice Neighborhood Initiative (CNI) grants, would also not receive any funding. While the FY10 HUD spending bill did fund CNI at \$65 million, the House Subcommittee, as it did for FY10, is not recommending any CNI funds.

The tenant-based rental assistance program renewals would be funded at \$17.2 billion, \$85 million below the President’s request. The President’s request is considered sufficient to fund existing rental assistance vouchers. Subcommittee staff say their proposed figure would fully fund all existing rental vouchers and that the reduction represents a partial decrease to the 1% of funds that are allocated from each of HUD’s line items to HUD’s Transformation Initiative (see Memo, 5/22/09). NLIHC asserts that the rental assistance program should be increased to serve the significant unmet needs of extremely low income families who are homeless or have worst-case housing needs, and is advocating for an increase of 250,000 vouchers for FY11 and a doubling of the voucher program by FY20.

The Subcommittee funded three types of vouchers for special populations: people with disabilities, people experiencing homelessness, and veterans. The House included \$75 million for Veterans Affairs Supported Housing (VASH) program vouchers, which were not included in the President’s budget request.

In a joint hearing of the Senate Veterans Affairs (VA) and T-HUD appropriations subcommittees hearing held in May, HUD Secretary Shaun Donovan testified that part of the reason the Administration did not request continued FY11 funding for the VASH program was due to administrative difficulties that the VA and HUD were having in ramping up staffing for the

program and allocating vouchers to veterans (see Memo, 5/21). The Secretary said that the VA and HUD have since addressed those difficulties and the agencies are confident in the program's ability to effectively use additional funding.

A new program, the Housing and Services for Homeless Persons Demonstration, is funded in the Subcommittee bill at \$85 million, the amount requested by the Administration. The demonstration would provide funds to public housing authorities to house families and individuals who are homeless or at-risk of homelessness. Public housing agencies would partner with the Department of Education, as well as with state agencies providing Temporary Assistance for Needy Families (TANF), Medicaid, and behavioral health services (see Memo 2/5).

The House Subcommittee would also fully fund mainstream vouchers for people with disabilities at \$114 million, the same as the President's request. The Administration separated the rental assistance from the Section 811 Housing for Persons with Disabilities program in its FY11 request, transferring the funds in full to the Tenant Based Rental Assistance line item as mainstream vouchers. The House Subcommittee bill would provide these requested funds within the tenant-based line item.

The House bill also funds the Section 811 program at the FY10 level of \$300 million, effectively providing an increase of \$114 million to the program with the additional funds within the tenant-based line item. The President's budget request would fully fund the Section 811 tenant-based vouchers, but would cut the production side of the Section 811 program by \$96 million.

The Administration also proposed cutting the production portion of the Section 202 Housing for the Elderly program, and the Subcommittee's bill would include funding for the program at the FY10 level of \$825 million.

The Housing Opportunity for Persons with AIDS (HOPWA) program would be funded at \$350 million, a \$15 million increase over FY10 levels and above the President's request of \$340 million.

Homeless Assistance Grants would be funded at the level requested by the Administration, \$2.06 billion, which is a significant increase over FY10 levels. Under the newly reauthorized HEARTH Act, the program could receive up to \$2.4 billion, the amount that NLIHC is advocating for Congress to appropriate. The Interagency Council on Homelessness's (ICH) new plan to end homelessness, Opening Doors, would require significant housing and service resources from HUD's Homeless Assistance Grants and from other mainstream housing programs such as tenant-based rental assistance (see Memo, 6/25). NLIHC will continue to advocate for increased funding to implement the ICH plan.

The House bill would fund project based-rental assistance at the President's requested level of \$9.4 billion, an increase over FY10 levels.

For public housing, the House bill would fund the operating fund only at the level requested by the Administration, \$4.8 billion, which is thought by advocates to be too little to cover expenses in FY11. NLIHC is advocating for \$5.08 billion. The House bill would provide \$2.5 billion for the capital fund, the FY10 enacted level, which is higher than the amount requested by the President, \$2.04 billion. The Subcommittee bill would continue to fund the Resident Opportunity and Supported Services (ROSS) program at the FY10 level of \$50 million instead of eliminating funding as in the President's request.

The House Subcommittee chose to fund the HOPE VI program at \$200 million for FY11 and not fund the Choice Neighborhoods Initiative (CNI) program, as noted above. CNI was proposed by the Administration as a replacement for the HOPE VI program. For FY10, Congress instead funded the HOPE VI program at \$135 million and fund a small CNI demonstration program. The Subcommittee bill would not continue this demonstration nor make the funding for CNI permanent, but would instead increase funding for HOPE VI over the FY10 levels. The President's FY11 request included \$250 million for CNI and no funding for HOPE VI.

The House would cut the Community Development Fund (CDF), which includes the Community Development Block Grant program, from the FY10 level of \$4.45 billion to \$4.35 billion, a lower amount than was requested in the President's FY11 budget. Funding is not provided for the Rural Innovation Fund or the Sustainable Communities Initiative in FY11.

A number of programs would continue to be funded at the FY10 levels despite the President's request for lower funding for FY11. The HOME program would be funded at the FY10 level of \$1.825 billion, instead of the President's requested amount of \$1.65 billion; fair housing programs would continue to be funded at the FY10 levels of \$72 million, over \$10 million more than the President's request; and the Native American Housing Block Grants would be funded at \$700 million, a \$120 million increase over the Administration's request.

Both the House Subcommittee bill and the President's proposal would increase the Housing Counseling Assistance program slightly to \$88 million. The Healthy Homes and Lead Hazard Control program would be level-funded for the third year at \$140 million dollars, consistent with the President's request.

HUD proposes an increase of \$39 million to its Office of Policy Development and Research in the FY11 budget request, but the House bill would provide an increase of only \$2 million for a total of \$50 million for FY11.

Representative Tom Latham (R-IA), Ranking Member of the Subcommittee, offered the mark up's only amendment and one that would have affected HUD programs. He proposed reducing the Subcommittee's proposed amounts for nine transportation and housing programs back to the lower levels proposed in the President's budget. HUD programs included in the amendment were the public housing capital fund, the Native American Housing Block Grant, the Brownfields program, and the HOME program. The amendment was not adopted. The Committee is expected to post the final version of the mark up shortly at its website.

NLIHC's updated budget chart is at: <http://www.nlihc.org/doc/FY11-Budget-Chart-HUD-Programs7-6-2010.pdf>

View the House Appropriations T-HUD Subcommittee summary chart, the Chairman's opening remarks, and the list of HUD earmarks: http://appropriations.house.gov/index.php?option=com_content&view=article&id=669:2011-transportation-housing-and-urban-development-appropriations-subcommittee-bill&catid=3:press-releases&Itemid=120&Itemid=4

Budget Committee, Full House Pass FY11 Budget Enforcement

Following the House Appropriations Subcommittee on Transportation, Housing and Urban Development and Related Agencies' (T-HUD) passage of an FY11 spending bill (see previous article), the House Budget Committee and the full House passed a "budget enforcement" resolution for FY11 on July 1. It would set a one-year limit for all discretionary spending.

The House resolution's \$1.12 trillion limit is approximately \$7 billion below the President's request and \$3 billion below the budget resolution passed by the Senate Budget Committee. That committee passed an FY11 budget resolution in April, but Senate leadership has not brought it to the floor for a vote (see Memo 4/23).

Unlike a traditional budget resolution, the House resolution does not provide five-year figures, does not provide more detailed figures than the overall spending caps for discretionary and mandatory authority and outlays, and does not include any of the chairman's specific programmatic priorities. Establishing a one-year budget enforcement resolution marks a departure from the House's traditional discipline in passing a budget resolution even in years that the Senate has not done so.

The House has been criticized for not crafting a traditional budget resolution. However, Budget Committee Chairman John Spratt (D-SC) has said the House should wait for the outcome of the President's Fiscal Commission before planning

longer-term spending (see article elsewhere in Memo). The President's Fiscal Commission is scheduled to provide its recommendations in December.

In addition to setting the one-year spending figures, the House committee's resolution maintains a sharp focus on deficit reduction. "Strengthening the economy and creating jobs are critical to reducing the long-term deficit," document says. The Committee also says that the budget enforcement resolution "reduce[s] the President's comparable budgetary request, and further contribute[s] to fiscal discipline."

The resolution further includes a "sense of the House on deficit reduction" statement. This statement calls for the chairs of House committees to submit findings by September 15, 2010, that identify changes in law that would "help achieve deficit reduction by reducing waste, fraud, abuse and mismanagement, promoting efficiency and reform of government, and controlling spending within government programs."

Because it will not pass a budget resolution, the House will not reach agreement with the Senate on the resolution that passed the Senate Budget Committee. The Senate could, however, choose to pass a deeming resolution instead of bringing its committee-passed budget resolution to the floor.

In the past, when one body of Congress has passed a deeming or budget enforcement resolution, the figure has not been agreed upon by the other body. Instead, in years in which the House and Senate did not reach an agreement on a budget resolution but one or both passed a deeming resolution establishing a one-year spending figure, the appropriations subcommittees proceeded to craft their detailed spending bills and these appropriations bills were still taken up by the House and Senate.

View the House budget enforcement resolution at: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:hr1493ih.txt.pdf

Senate Hearing Addresses Green Housing and Energy Efficiency

The Senate Committee on Banking, Housing, and Urban Affairs held a hearing on June 30 titled "Green Housing for the 21st Century: Retrofitting the Past and Building an Energy-Efficient Future." The hearing focused on S.1379, the Energy Efficiency in Housing Act of 2009, which would promote green and energy-efficient housing, including affordable housing. The bill was introduced by Senator Sheldon Whitehouse (D-RI) and was referred to the Banking committee in June of 2009.

Senator Robert Menendez (D-NJ), who chaired the hearing, said in his opening remarks that green housing is "good for the climate, good for homeowners, and good for the economy."

Senator Whitehouse testified on the importance of green housing legislation, noting that “energy-efficient housing connects tackling climate change and reducing our dependence on foreign fossil fuels to cutting government outlays and trimming household budgets, to... construction jobs.” Saying that consumers are largely uninformed about the benefits of energy efficient products, Senator Whitehouse framed Congress’ challenge as devising programs “to inform consumers and jumpstart the green housing economy.”

Senator Whitehouse said his bill would accomplish three main objectives: directing HUD to develop upfront incentives for homebuyers using energy efficient and location efficient mortgages; requiring HUD to increase energy efficiencies in housing operated by the department and sharing cost savings between landlords and tenants; and authorizing an energy-efficiency demonstration program for 50,000 units subsidized through the Section 8 program that would produce savings for low income residents, landlords and, ultimately, taxpayers.

The bill would also authorize a revolving loan fund that state and local governments can use to experiment with novel and innovative green housing programs, and create a grant program for community development nonprofits to participate in and administer construction and retrofitting efforts.

Representative Ed Perlmutter (D-CO), who introduced companion legislation in the House, also testified. H.R. 2336, the Green Resources for Energy Efficient Neighborhoods Act of 2009, also known as the GREEN Act of 2009, was introduced in May of 2009 and reported out of committee in April 2010 (see Memo, 4/23).

Mr. Perlmutter praised the Energy Efficiency Act as the first comprehensive energy efficiency bill introduced in the Senate. He described both the House and Senate bills as incentive-based legislation that will generate more than 140,000 jobs while creating savings for taxpayers. Mr. Perlmutter also cited energy as one of HUD’s largest expenditures, at \$5 billion annually. Energy efficiency measures are anticipated to generate HUD savings of up to \$1 billion over the next five years.

Discussing the multifamily project-based housing demonstration program in his bill, after which Senator Whitehouse’s demonstration program is modeled, Mr. Perlmutter says the program, which would be authorized at \$50 million annually, would decrease utility costs for 50,000 units over a four-year period. Mr. Perlmutter added that consumers will also benefit by having more disposable income because they will spend less on utilities.

HUD Deputy Secretary Ron Sims also testified in favor of the legislation, saying that the issue is important to HUD because there is “no one more vulnerable to rising energy costs than low

and moderate income residents.” He suggested modifications that would better connect the bill’s initiatives to HUD’s current programs, including broadening HUD’s discretion to apply minimum or enhanced energy and green standards beyond pilot programs, allowing HUD to increase total development costs if minimum green standards are implemented, and amending mortgage underwriting standards. Mr. Sims also testified last year before the House in favor of H.R. 2336 (see Memo, 6/19/09).

Trisha Miller of Enterprise Community Partners testified in support of the legislation, saying that it is critical for low income households, who spend four times as much of their monthly household incomes on utilities than do higher income households. She also said that there is growing evidence that green homes are healthier homes. In a study of children with illnesses who moved into healthy green public housing, one-year findings showed children experiencing a 60% increase in symptom-free days and a 67% reduction in use of urgent clinical care, she said.

Other panelists discussed the cost savings and benefits of building green and energy-efficient single-family homes. Senator Menendez concluded the hearing by raising with panelists the importance of and unique challenges associated with making affordable housing energy efficient and green.

HUD

Two Sustainable Communities Planning Grant NOFAs Announced

HUD’s Office of Sustainable Housing and Communities (OSHC) recently issued two Notices of Fund Availability (NOFAs), one for \$98 million in Sustainable Communities Regional Planning Grants, and another for \$40 million in local Community Planning Challenge Grants.

The \$98 million Regional Planning Grant Program (see Memo, 2/12 and 3/19) will support metropolitan and multijurisdictional planning that integrate housing, land use, economic and workforce development, transportation, and infrastructure investments. Another \$2 million is set aside for capacity support grants. The Challenge Planning Grants will focus on individual jurisdictions and localized planning, and are designed to target housing, economic development, and land use planning strategies that will increase the efficiency and effectiveness of a related, planned transportation project.

For Regional Planning Grants, two categories of grants will be available. The first will support preparation of Regional Plans for Sustainable Development (RPSD) that address housing,

economic development, transportation, energy, water, and environmental quality in an integrated fashion where such plans do not already exist or where they exist but need to be significantly revised or enhanced. The second type will support efforts in areas where RPSDs exist so that detailed execution plans can be prepared or limited predevelopment planning activities can take place in support of catalytic projects.

The amount a jurisdiction receives for a Regional Planning Grant will be based on population, with up to \$5 million available for large metro regions, \$2 million for medium-sized regions, and \$1 million for small regions, rural communities, and small towns. At least \$25 million is set aside for the latter group.

The Challenge Planning Grant NOFA was issued jointly with the Department of Transportation (DOT), enabling jurisdictions to submit proposals solely for a Challenge grant, or for a Challenge grant and a DOT TIGER II Planning grant through a single application assessed collaboratively by HUD and DOT (see Memo 4/30). Up to \$35 million in TIGER II Planning Grants will fund planning, preparation, or design of surface transportation capital investments, such as public transportation, highways and bridges, passenger and freight rail, and ports, that are eligible under the \$600 million TIGER II Discretionary Grant program.

The agencies explained that they decided to issue the NOFA jointly in order to better align transportation, housing, economic development, and land use planning and to improve linkages between DOT and HUD programs. “This partnership demonstrates President Obama’s commitment to changing the way the federal government operates by breaking down silos and making smarter investments,” HUD Secretary Shaun Donovan said in a news release.

Examples of planning activities that could be funded with a mix of a HUD Challenge Planning Grant and a DOT TIGER II grant include:

- Preparing or amending local codes and ordinances that promote the preservation or development of accessible, permanently affordable housing near transportation through the adoption of inclusionary zoning ordinances;
- Planning for particular transportation corridor or regional transportation system in order to promote mixed-use, transit-oriented development with a component that preserves or creates affordable housing for extremely low, very low, and low income households; and
- Revising local zoning codes and other land use laws in order to overcome the effects of impediments to fair housing choice.

Notably, both NOFAs emphasize affirmatively furthering fair

housing (AFFH). Challenge grant applications must include a discussion about how the proposed plan will do so, and HUD will award more points to applications with specific activities and outcomes addressing AFFH. Applications for Regional Planning Grants must develop a regional analysis of impediments to fair housing choice that links transportation, employment, and housing resources in order to promote fair and affordable housing in areas with high opportunities for employment, education, and services.

Government entities must submit applications for either planning grant by August 23. Both NOFAs, along with fact sheets and frequently asked questions, are at: http://portal.hud.gov/portal/page/portal/HUD/program_offices/sustainable_housing_communities

ADMINISTRATION

Fiscal Commission Releases Results of Public Forums; NLIHC Submits Comments

In February, President Obama created the National Commission on Fiscal Responsibility and Reform and charged it with identifying policies to improve the fiscal situation in the medium-term and achieve fiscal sustainability over the long-run. The Commission has ramped up its work by seeking public input at forums held recently across the country (see Memo, 6/11), and the results of these forums have now been made public.

The Commission, comprised of 18 bi-partisan members, is examining proposals to cut spending and to increase revenues, with the goal of eliminating the \$250 billion deficit projected for 2015. The Commission has three working groups: discretionary spending, mandatory spending, and tax reform. It is expected to submit a report outlining its recommendations to Congress by December 1.

The Commission has tasked the AmericaSpeaks organization with coordinating nationwide town halls to gather input and recommendations. AmericaSpeaks has a broad-based national advisory committee to oversee the neutrality of the town halls and other information-gathering efforts associated with the Fiscal Commission.

According to AmericaSpeaks, thousands of people across 60 cities participated over the last several weeks in a “national discussion on America’s fiscal future.” On June 26, the organization issued a press release announcing “reforms that were preferred by the participants at the National Town Meeting.”

As described, these preferred reforms would: raise the limit on taxable earnings so it covers 90% of total earnings; reduce spending on health care and non-defense discretionary spending by at least 5%; raise tax rates on corporate income and those earning more than \$1 million; raise the age for receiving full Social Security benefits to 69; reduce defense spending by 10% to 15%; and create a carbon and securities-transaction tax.

“The participants prioritized balancing the needs of current and future generations and placing a greater burden for reducing the deficit on those who are more financially able as the core values that should guide our country’s fiscal future,” the June 26 press release said. “Americans were split when rating whether the government should hold primary responsibility for those most vulnerable or individuals should be responsible for taking care of themselves.” These findings were presented at the Commission’s June 30 hearing in Washington, DC.

NLIHC submitted comments to the June 30 hearing that focused on the need for equity in federal housing subsidies.

“We are particularly concerned about the extreme inequities in federal housing subsidies,” Ms. Crowley wrote in NLIHC’s comments. “In FY09, the federal government spent \$300 billion to support housing and the mortgage markets. Eighty percent subsidized homeownership, and the remaining 20% supported rental housing. The majority of the homeownership subsidy is provided through tax expenditures, while most of rental housing support is provided through the HUD budget.”

NLIHC recommended changing the tax treatment of mortgage interest from a deduction to a credit and limiting the size of a mortgage eligible for the credit to what it would cost to purchase a modest home. In addition to providing housing subsidies to low income homeowners, such a change would produce a considerable amount of additional revenue.

NLIHC proposed that these additional revenues be redirected to solving the most serious housing problems of the lowest income families. Specifically, the Coalition proposed directing at least \$15 billion a year for 10 years to the National Housing Trust Fund, which will produce or preserve 1.5 million rental homes affordable to households with incomes at or below 30% of their area median. NLIHC also called for doubling the number of housing choice vouchers from 2 million to 4 million over a 10-year period. Other funds should be added to the HUD budget at a level sufficient to preserve and assure the long term sustainability of the 1.2 million units of public housing and the rest of the HUD-assisted low income housing stock, NLIHC said.

NLIHC also said it would oppose proposals to reduce the size of the mortgage interest deduction if the savings were directed to anything other than greater equity in federal housing subsidies.

NLIHC also signed onto a letter to the Commission organized by the Coalition on Human Needs. The letter asks the Commission to adopt a basic principle that its proposals should not make lower income individuals and families worse off than they are today. It also urges the Commission to obtain and make public a distributional analysis (by income deciles or quintiles, for example) of the impact of its proposals.

Link to the AmericaSpeaks press release at: <http://usabudgetdiscussion.org/press/>

Link to the Fiscal Commission at: <http://www.fiscalcommission.gov/>

Link to NLIHC’s comments to the Fiscal Commission at: <http://www.nlihc.org/doc/NLIHC-Comments-National-Commission%206-29-10.pdf>

Link to the sign on letter from the Coalition on Human Needs at: <http://www.chn.org/pdf/2010/DeficitComLetterSigners.pdf>

DISASTER RECOVERY

HUD Releases Consolidated Guidance on DHAP Ike Extension

On June 22, HUD issued consolidated guidance on the Disaster Housing Assistance Program for families displaced by hurricanes Ike and Gustav (DHAP-Ike). The guidance governs DHAP-Ike through the program’s October 2010 extension and details the obligations of both participating public housing agencies (PHAs) and assisted families. DHAP-Ike provides an estimated 9,200 families with housing assistance and case management services and was most recently extended in May (see Memo, 5/14).

While many of the obligations for both families and PHAs remain unchanged, the clarification of program details for the program’s extension may prove helpful for advocates working with assisted families. PHAs are expected to continue providing eligible families with rent payments, as well as utility deposits and service connection fees as required. There is no change in eligibility requirements for assisted families. The guidance explains that families receiving DHAP-Ike assistance as of March 2010 who remained eligible for continued assistance should not have experienced rent payment interruptions for the month of April. Advocates welcomed the guidance and are prepared to monitor PHAs’ compliance with their obligations.

The guidance refers to the possibility of a transition of eligible DHAP-Ike families to the Housing Choice Voucher (HCV) program if the President’s FY11 budget request of \$66 million

for the conversion program is approved. (The full details from the House subcommittee FY11 mark up have not yet been released.) Under a conversion program, families still receiving DHAP-Ike assistance at the October deadline will have the opportunity to choose voucher assistance. Those families will be required to meet requirements for DHAP-Ike assistance (and hardship waivers if applicable) while following the HCV pre-screening process. PHAs will be required to notify families of these procedures and deadlines by letter, the guidance confirms. PHAs will be eligible for financial incentives to provide a smoother transition between assistance programs.

The guidance itself expires at the end of June 2011, leaving open the possibility of a further DHAP-Ike extension. However, HUD staff have indicated that they do not anticipate the need for an additional extension and seem hopeful that that the funds will be approved for a conversion program. Advocates will request further extension of the program should families still need time to find permanent housing as the program deadline approaches.

The HUD Consolidated Guidance can be found here: http://portal.hud.gov/portal/page/portal/HUD/program_offices/administration/hudclips/whatsnew

FROM THE FIELD

New York City Tenants Organizing Against Predatory Equity

Last week's Memo featured the work of New York's Tenants & Neighbors, an NLIHC partner, in creating the Predatory Equity Working Group to fight predatory equity, which threatens the preservation of affordable homes when investor-purchasers seek to turn a quick profit on buildings (see Memo, 6/25). The Working Group is pursuing policy solutions at the local, state, and federal levels, as well as working with tenants to organize around the issue.

This week's Memo describes several specific organizing strategies used by coalitions of tenants in buildings owned by the same predatory equity landlord. Many of these types of strategies are expected to be included in an organizing toolkit being compiled by the Working Group that is designed to help tenants facing predatory equity prevent or counter typical actions taken by landlords, including inordinate rent hikes, declines in building maintenance and services, and harassment of tenants.

Tenants in five buildings containing 4,000 units in different parts of the city, but owned by the same predatory equity investor, formed the Putnam Coalition to fight a tactic often used by predatory equity landlords called submetering. It is

common for tenants to receive utilities directly from their landlord, with the cost included in their rent. But as energy costs rise, many predatory equity landlords transfer those costs to tenants by purchasing energy for the building and re-selling it to tenants individually. This enables the owner to put off making a building energy efficient while forcing soaring utility costs on to low income tenants.

In the Putnam Coalition buildings, many tenants in energy-inefficient apartments started getting monthly electric bills ranging from \$200 to \$1,000. Working with Tenants & Neighbors and the Urban Homesteading Assistance Board, tenants convinced the New York State Public Service Commission to put on hold plans to submeter four of the buildings. As a result, in order to gain approval for submetering, the Public Service Commission demanded, among other things, that owners demonstrate that state-approved energy efficiency programs have been or will be implemented.

A predatory equity coalition called Harlem Tenants Against Tahl Propp organized a successful campaign to prevent a predatory equity firm known for aggressive tenant harassment from buying a city-owned vacant lot for \$1. In a related campaign, Harlem Tenants covered some of the firm's 3,000 Harlem apartments with bright yellow signs that read "Don't Rent Here" to dissuade more affluent potential renters from abetting the predatory equity owner. Now, because surveying revealed that some of the firm's apartments were illegally deregulated (taken off rent regulation), organizers and leaders are going door to door in some of their properties to learn whether more have been illegally deregulated. Organizers will help those tenants take action to have their apartments placed back under rent stabilization, as well as help other tenants counter future deregulation.

Tenants & Neighbors has also been doing outreach to tenants in buildings that are owned by predatory equity investors who received tax abatements from the city for the renovation of their properties. Recently, the tenants at Stuyvesant Town/Peter Cooper Village, home to 25,000 people, sued their predatory equity owner, arguing that the owner should not be able to deregulate apartments while receiving these tax abatements. In October 2009, tenants won a major victory in the struggle against predatory equity when the New York State Court of Appeals ruled in favor of the tenants, finding that more than one-third of the 11,000 rent regulated units that had been deregulated while the owner was receiving tax abatements from the city had been illegally deregulated.

This decision, known as the Roberts Decision, has implications beyond these "Stuy Town" homes. An estimated 80,000 to 200,000 apartments in the city could be affected. Tenants & Neighbors is reaching out to tenants in predatory equity

buildings with these tax abatements, door knocking and holding workshops about the implications of the Roberts decision. Organizers are helping tenants determine if their apartments have been illegally deregulated, and if so are helping them organize to get them re-regulated.

A tenant whose apartment Tenants & Neighbors is helping re-regulate wrote to the groups to describe their impact: “We had pretty much talked ourselves out of doing anything before you knocked on our door because we didn’t understand the law or what to do about it. If we are able to re-stabilize our apartment, it will totally change our lives.”

As a result of Tenant & Neighbors’ initial outreach efforts at predatory equity buildings with tax abatements, organizers are also encountering rent-stabilized tenants whose apartments have not yet been de-regulated but who are facing deteriorating conditions and/or harassment by landlords seeking to push them out. This presents a unique opportunity to bring market rate and rent-regulated tenants together in a joint organizing effort, Tenants & Neighbors has found. Organizers intend to help these tenants, who recognize the need to work together, form a strong, united tenant association that knows their rights and how to defend them.

For more information: Emily Goldstein, Subsidized Housing Organizer, Tenants & Neighbors, egoldstein@tand.org

RESOURCES

Report: Gay and Transgender Youth Disproportionately Homeless

Gay and transgender youth are disproportionately homeless compared to youth in general, a June report released by the Center for American Progress finds. Further, once homeless, these youth face increased instances of physical and sexual exploitation.

The report synthesizes current research on homeless youth while highlighting research on those who are transgender or gay. In addition, the report provides personal accounts from transgender and gay youth who have experienced homelessness.

While gay and transgender youth, those between the ages of 12 and 24, make up only 7% of the U.S. youth population, research estimates that they comprise as much as 39% of all homeless youth. For example, the National Alliance to End Homelessness estimates that gay and transgender youth are 20% of the homeless youth population nationwide.

Gay and transgender homeless youth are predominantly members of racial minority groups. This report cites results

from a New York survey of gay and transgender homeless youth in which 44% of the gay youth were black and 26% Hispanic. Of the transgender youth, 62% were black and 20% Hispanic.

The report also finds that homeless shelters, often a last resort or refuge, are failing to offer safety and protection for these youth, citing evidence that gay and transgender homeless youth are facing high rates of harassment, violence, and discrimination in out-of-home facilities and homeless shelters. As a result, many of these homeless youth end up on the streets, engaging in criminal activity such as “survival sex,” robbery, and selling drugs to survive. Many times this activity results in incarceration.

Looking at the causes for the rising number of gay and transgender homeless youth, the report points to research that finds that between 2003 and 2005 the average age of self-identification was 13.4 years or age – the lowest average in age since 1970. While family conflict is found to be a major cause of gay and transgender youth homelessness, the report concludes that this trend in self-identification is likely responsible for the increasing numbers in youth homelessness and suggests that these numbers will continue to rise.

The authors suggest that the country’s safety nets do not currently offer adequate support and protections for this extremely vulnerable population. Research suggests that federally funded programs that target homeless youth are severely underfunded and serve only a small proportion of the population. Specifically, the authors call for greater federal support for homeless youth housing assistance while expanding the housing options for gay and transgender homeless youth.

The 2010 report, *On the Streets: The Federal Response to Gay and Transgender Homeless Youth*, is available at: http://www.americanprogress.org/issues/2010/06/on_the_streets.html

NLIHC Updates Fact Sheets

NLIHC has updated its current issues fact sheets and its priority legislation chart as of July 1, based on recent legislative activity and policy outlooks. Fact sheets track legislation related to NLIHC’s 2010 policy agenda, including the National Housing Trust Fund, vouchers, public and assisted housing preservation, budget and appropriations, Gulf Coast housing recovery, renters in foreclosure, low income housing tax credits, climate and green housing, and housing plus services issues. Access the updated information at: <http://www.nlihc.org/template/page.cfm?id=228>

NLIHC NEWS

NLIHC President Honored by NAMI

The National Alliance on Mental Illness (NAMI) presented NLIHC President Sheila Crowley with the Philip & Sarah Francouer Award on July 2 at NAMI's annual convention in Washington, DC. The Francouer Award recognizes excellence in providing housing and other services for people living with mental illness. The award was given for leadership of the National Housing Trust Fund campaign.

NAMI has been active in the NHTF campaign since it was initiated. NAMI members have advocated for the NHTF as a critical new resource to produce housing that is affordable for people with disabilities who rely in Supplemental Security Income (SSI). The average SSI recipient has income at 18% of the area median.

In accepting the award, Crowley said recognition by NAMI was especially sweet because she started her career as a social worker with poorly housed people with serious mental illness.

NLIHC Seeks Fall Interns

NLIHC is now accepting resumes for Fall 2010 intern positions. Interns are highly valued and fully integrated into the staff work of NLIHC. We seek students passionate about social justice issues, with excellent writing and interpersonal skills. The positions available are:

Communications Intern. Assists in the planning of NLIHC's annual media awards, the preparation and distribution of press materials, and on website and social media networking projects. Also responsible for daily maintenance of the media database and the tracking of press hits.

Policy Intern. Tracks new legislation, attends and summarizes Congressional hearings for weekly newsletter, participates in visits to Congressional offices and develops materials for use in lobbying the House and Senate to accomplish NLIHC's mission. Updates the Congressional database.

Outreach Intern. Assists with grassroots organizing efforts for the National Housing Trust Fund Campaign and other legislative campaigns. Assists with membership recruitment/retention efforts and internal database upkeep.

Research Intern. Assists in ongoing quantitative and qualitative research projects, writes weekly articles on current research for NLIHC newsletter, attends briefings, and helps staff respond to research inquiries.

All interns will contribute articles to our weekly newsletter,

Memo to Members, and perform other duties as assigned. A small stipend is available.

In their cover letter, interested students should specify which position/s they prefer. The cover letter and resume should be sent to:

Bill Shields, Vice President for Operations

National Low Income Housing Coalition

727 15th Street NW, 6th Floor

Washington, DC 20005

or via email to bill@nlihc.org or fax at 202-393-1973. Please call 202-662-1530 x 232 with any questions.

NLIHC 2010 Advocates' Guide Available for Order

NLIHC's 2010 Advocates' Guide to Housing and Community Development is now online and available for purchase in book form. The Guide contains updated chapters on 70 housing and housing-related programs and issues, from the National Housing Trust Fund and the Housing Choice Voucher program to the mortgage interest deduction and the Federal Housing Administration. Each chapter provides a program history and description as well as information on what advocates need to know now about current program issues. As applicable, advocates are also provided with information on what to say to legislators and with tips for making the program work well at the local level. In addition, the Guide's appendices provide information on Congress, the Administration, and the policymaking process that is designed to help advocates weigh in on housing programs and issues.

New articles for 2010 include an overview of housing need and tips for accessing NLIHC resources as well as chapters on the Homeless Prevention and Rapid-Rehousing program, intergenerational housing, and service coordinators in multifamily housing.

The Advocates' Guide can be accessed at <http://www.nlihc.org/doc/2010-ADVOCATES-GUIDE.pdf>. Copies of the book are available for purchase, for \$40 for non-members and \$25 for members. Bulk rates are available for advocates wishing to distribute copies more broadly; email sarah@nlihc.org for details.

FACT OF THE WEEK

Rising Rates of Youth Homelessness*

	Number of Homeless and Runaway Youth	Percentage Change
2007	726,796	
2008	766,817	5.5%
2009	812,418	5.9%

*These numbers are based on contacts with runways and homeless youth by federally funded Runaway and Homeless Youth Act programs.

Source: Quintana, N. S., Rosenthal, J., & Krehely, J. (2010, June). *On the Streets: The Federal Response to Gay and Transgender Homeless Youth*. Center for American Progress, Washington, D.C.

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ABOUT NLIHC

The National Low Income Housing Coalition is dedicated solely to achieving equitable federal policy that assures affordable, accessible, and healthy homes for the people with the lowest incomes in the United States.

Established in 1974 by Cushing N. Dolbeare, NLIHC educates, organizes, and advocates to ensure decent, affordable housing within healthy neighborhoods for everyone.

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.

NLIHC membership information is available at www.nlihc.org/join. You can also e-mail us at outreach@nlihc.org or call 202-662-1530 to request membership materials to distribute at meetings and conferences.