



MEMO OF MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

NATIONAL HOUSING TRUST FUND

Deadline Extended to Co-sponsor National Affordable Housing Trust Fund Bill; Floor Action Expected Soon

H.R. 2895, the National Affordable Housing Trust Fund Act of 2007, has 76 cosponsors as of September 7, 2007, thanks to advocates' contacting their Members of Congress over the August recess.

The deadline for co-sponsorship has been extended until at least September 14. Advocates should continue to seek commitments from their Representatives to sign on as co-sponsors. House Financial Services Chairman Barney Frank (D-MA) now expects to take the bill to the House floor in early October.

H.R. 1852, Expanding American Homeownership Act of 2007, which includes a provision to reserve funding for the National Affordable Housing Trust Fund bill by expanding the FHA's home equity conversion mortgage (HECM) program, is expected to go to the floor during the week of September 17. Efforts to strike the provision that dedicated revenue to the National Affordable Housing Trust Fund are anticipated. Advocacy will be needed to protect the funding.

The following Members have become new co-sponsors of H.R. 2895 since August 3:

Capps, Lois (D-CA); Capuano, Michael (D-MA); Carson, Julia (D-IN); Clarke, Yvette (D-NY); Cohen, Steve (D-TN); Courtney, Joe (D-CT); Crowley, Joseph (D-NY); Davis, Danny (D-IL); Davis, Susan A. (D-CA); Delahunt, William (D-MA); Honda, Michael (D-CA); Israel, Steve (D-NY); Jones Stephanie Tubbs (D-OH); Kaptur, Marcy (D-OH); Kind, Ron (D-WI); Kucinich, Dennis (D-OH); Lofgren, Zoe (D-CA); Maloney, Carolyn (D-NY); Matheson, Jim (D-UT); McCarthy, Carolyn (D-NY); McDermott, Jim (D-WA).

Also, McGovern, James (D-MA); Miller, George (D-CA); Nadler, Jerrold (D-NY); Pastor, Ed (D-AZ); Rangel, Charlie (D-NY); Rush, Bobby (D-IL); Ryan, Tim (D-OH); Schakowsky, Jan (D-IL); Scott, Robert (D-VA); Sherman, Brad (D-CA); Watson,

Diane (D-CA); Watt, Melvin (D-NC); Waxman, Henry (D-CA); Woolsey, Lynn (D-CA).

A complete list of co-sponsors can be found here: <http://thomas.loc.gov/cgi-bin/bdquery/z?d110:HR02895:@@P>.

CAPITOL HILL

Senate to Vote on FY08 HUD Bill

The Senate is expected to take up its FY07 Transportation, Housing and Urban Development, and Related Agencies appropriations bill early in the week of September 10. The bill, S. 1789, passed out of the Senate Committee on Appropriations on July 12 (see Memo, 7/13). The legislation increases funding over the President's request for many key HUD programs, including Housing Choice Vouchers, Community Development Block Grants, Section 202 supportive housing for the elderly, Section 811 housing for persons with disabilities, and the public housing capital fund.

However, the bill provides only what the President requested for the project-based Section 8 program, a decrease compared to FY07 levels. HUD did not provide the committee with sufficient data to appropriately fund project-based Section 8; the committee has been awaiting new HUD data for some time. This information is expected by mid-September (see related article on late Housing Assistance Payments elsewhere in Memo), after the Senate votes on the bill. Advocates are seeking additional project-based Section 8 funding, along with the requested funding levels for the other HUD programs.

The Senate bill would fund voucher renewals based on the most recent 12 months of cost and leasing data with some adjustments, a policy necessary to protect all current voucher holders and continue the Congress' work to restore credibility to the voucher program.

NLIHC issued a Call to Action on S. 1789 on September 6 asking advocates to call their Senators to urge support of acceptable levels of funding for HUD programs. NLIHC's Senate Call to Action can be found here: www.nlihc.org.

Capitol Hill continued on page 2

Capitol Hill continued from page 1

NLIHC's budget chart can be found here: http://www.nlihc.org/doc/FYo8_BudgetChart.pdf.

Senator Dodd Proposes Mortgage Lending Changes

On September 5, Senator Christopher Dodd (D-CT), chair of the Senate Committee on Banking, Housing, and Urban Affairs, announced his intention to introduce legislation to reform some of the mortgage lending practices that led to problems in the subprime market.

Under his proposal, Senator Dodd would expand the number of loans covered by the Homeownership and Equity Protection Act (HOEPA), which prohibits certain loan practices and provides for certain disclosures in connection with "high-costs loans" (mortgages with interest rates in excess of 8%).

Senator Dodd's proposal would also expand HOEPA's limitations to prohibit prepayment penalties and yield spread premiums. In addition, the legislation would create a new category of loans subject to HOEPA-like consumer protection provisions, prohibit the steering of borrowers to higher-cost loans, require servicers to act in good faith and more fairly when dealing with delinquent borrowers, prohibit pressure on appraisers to achieve certain outcomes, authorize additional funds for foreclosure prevention counseling, make lenders more responsible for the actions of the mortgage brokers from whom they purchase mortgages and give the Federal Deposit Insurance Corporation and the Federal Trade Commission the authority to define unfair and deceptive acts.

Senator Dodd is expected to introduce this legislation soon and move it through committee this fall.

Bill to Establish National Homelessness Task Force Introduced

On August 3, Representative Steve Cohen (D-TN), introduced H.R. 3385, the National Homelessness Task Force Act of 2007. The bill would establish a task force to examine homelessness in the United States and make recommendations to alleviate its causes and effects. Representatives Julia Carson (D-IN), Yvette Clarke (D-NY), Keith Ellison (D-MN), Chaka Fattah (D-PA), Al Green (D-TX), Dennis Kucinich (D-OH), Zoe Lofgren (D-CA) and Donald Payne (D-NJ) are co-sponsors of the bill.

H.R. 3385 would create a task force comprised of up to 10 members, including representatives from non-governmental

organizations and federal and state agencies, among others. The House Committee on Financial Services and the Senate Committee on Banking, Housing, and Urban Affairs would each appoint up to five members of the task force.

The task force would, in consultation with heads of federal agencies administering homelessness programs, including the Interagency Council on Homelessness, review and analyze reports published by federal, state and local agencies and academic institutions that relate to homelessness and evaluate the effectiveness of federal programs for people experiencing homelessness. In addition, the task force would analyze opportunities and make recommendations to improve federal programs that address homelessness, reduce the period that people remain homeless, establish an outreach program that raises awareness among homeless people about resources available to them and expand the supply of permanent affordable housing for chronically homeless individuals, as well as individuals and families with incomes below the federal poverty line.

In addition, the task force would conduct research and develop methods to improve coordination between the Interagency Council on Homelessness and federal agencies, and to ensure that homeless individuals have access to employment and job-training programs.

H.R. 3385 has been referred to the House Financial Services Committee.

The Earning and Living Opportunities Act Reintroduced

On August 1, Representative Nydia Velazquez (D-NY) introduced H.R. 3310, the Earning and Living Opportunities Act, to improve HUD's Section 3 program. This is a reintroduction of H.R. 5164, introduced on April 6, 2006 (see Memo, 5/12/06).

Section 3 of the Housing and Urban Development Act of 1968 requires agencies receiving federal housing and community development funds to provide, to the greatest extent feasible, employment, contracting and training opportunities for low income people. The goal of Section 3 is to provide jobs and training for low income individuals and contracts with businesses owned by low income individuals. Few public housing agencies (PHAs) and other recipients of HUD funds, however, have met their obligations under Section 3. H.R. 3310 seeks to strengthen both the obligations and the reporting requirements toward meeting the obligations.

The bill would require that, among other things: contractors awarded funds from HUD submit evidence showing that a

Capitol Hill continued on page 3

Capitol Hill continued from page 2

minimum of 20% of all hours worked in connection with the contract will be performed by low or very low income people; public housing authorities (PHAs) and other recipients of HUD funds establish a Section 3 committee, composed of at least one affected resident, to oversee all aspects of compliance with Section 3; and that contractors awarded funds ensure that skilled, eligible low income persons are provided a priority in hiring and are provided on-the-job training. The bill would also require that all PHAs report quarterly to the HUD Secretary on the number of hours worked by low income people on contracts awarded to them. In turn, the HUD secretary would report annually to Congress a summary of the quarterly reports. The summary report would include information on the number of jobs and training opportunities generated by Section 3 and the number of hours worked by low and very low income persons on contracts awarded by HUD, as well as the number and amount of contracts and percentage of total contracts awarded to Section 3 businesses.

H.R. 3310 has been referred to House Financial Services Committee.

Veterans Housing Bill Introduced

On August 2, Representatives Al Green (D-TX) and Michael Michaud (D-ME) introduced H.R. 3329, the Homes for Heroes Act of 2007. The bill would create the position of Special Assistant for Veterans Affairs at HUD, authorize a \$200 million assistance program for supportive housing and services for low income veterans, require HUD to coordinate with the Department of Veterans Affairs, authorize 20,000 new HUD-Veterans Affairs Supportive Housing program vouchers and create other housing-related benefits for veterans. The bill was referred to the House Committee on Financial Services. The bill is identical to S. 1084, introduced on April 10 by Senator Barack Obama (D-IL) (see Memo, 4/13), which was referred to the Senate Committee on Banking, Housing, and Urban Affairs. No action has been scheduled on either bill.

Native American Housing Bill Passes House

The House of Representatives passed H.R. 2786, the Native American Housing Assistance and Self-Determination Reauthorization Act of 2007, on August 6. The legislation reauthorizes several programs for housing assistance to Native Americans and authorizes \$624 million annually for the Indian

Housing Block Grant. The House Committee on Financial Services passed the bill on August 3.

New Legislation

On September 5, Senator Robert Menendez (D-NJ) introduced S. 2018, a bill to allow HUD to better serve persons with limited English proficiency by providing technical assistance to recipients of federal funds. The bill has been referred to the Senate Committee on Banking, Housing, and Urban Affairs.

Senator Mary Landrieu (D-LA) introduced S. 2008, a bill to reform the single family housing loan guarantee program under the Housing Act of 1949, on August 3. The bill was referred to the Senate Committee on Banking, Housing, and Urban Affairs.

Current information on legislation being tracked by NLIHC is available through NLIHC's legislative action center, at www.capwiz.com/nlihc/issues/bills/.

HUD

Ongoing Severe Shortage of Funds to Renew Project-Based Section 8 Contracts

Reports have been surfacing in recent weeks of HUD failing to make timely Housing Assistance Payments (HAP) to Section 8 project-based housing owners. Apparently, HUD does not have enough funding authorized to honor its contractual commitments.

Seventeen Senators, led by Banking, Housing, and Urban Affairs Committee Chairman Christopher Dodd (D-CT), sent a letter to HUD Secretary Alphonso Jackson on September 6 urging him to "take immediate action to fund all property owners under their HAP contracts, and to let Congress know as soon as possible if HUD does not have sufficient funds to make these payments." The House Financial Services Subcommittee on Housing and Community Opportunity is considering hearings on the funding shortage sometime this month.

The origins of the problem are in OMB's objective for several years to keep the HUD budget from increasing, even while the cost of HAP contracts has been growing. This has forced HUD to make fund contracts at less than a full year's of funding and make up the deficit in the next fiscal year. In late 2006, the HUD Chief Financial Officer (CFO) decided this practice was illegal, requiring HUD to stop funding renewals for less than 12

HUD continued on page 4

HUD continued from page 3

months, leading to the current crisis.

For FY07, Congress added \$939 million to the \$5.5 billion requested by the Administration. However, as the end of the fiscal year approaches, this amount will be about \$1 billion short of what was actually needed in FY07.

Multifamily industry associations, which represent multifamily owners and managers, reported that more than 10,000 contracts were unpaid in July. On July 13, HUD's Office of Multifamily Programs sent a memorandum explaining that owners could ask HUD's field offices to approve the use of residual receipts and/or reserves for replacement in order to meet mortgage payments or other operating expenses.

In early August, HUD finally obtained a release of \$1.7 billion from OMB to begin paying past due HAP payments. Those July HAP payments were to reach properties by mid-August. At about the same time, an additional \$600 million was released by OMB to meet HAP contract renewals coming up in August and September. But this will not be enough to renew for a full 12 months those HAP contracts that had a renewal date during the last quarter of the fiscal year. The Office of Multifamily Housing was able to negotiate a short-term fix with the CFO that will allow partial payments, but the problem will continue unresolved into the new fiscal year if no further action is taken.

HUD does not know what its true project-based Section 8 renewal costs are. HUD has engaged an independent auditor to get an accurate accounting of what the total costs will be for FY08. The audit report is expected in mid-September. Industry officials estimate that HUD will need \$2 billion more than it requested for FY08 in order to cover not only FY08 but also the renewal costs of the last quarter of FY07 and the reimbursement of long-term contract amounts "borrowed" to make the short-term fixes of FY07.

The full consequences of the funding shortage are yet to be realized. Small property owners with shallow reserves have struggled this summer to make mortgage payments and have had to put off repairs. Some owners, frustrated with HUD's failure to meet its contractual obligations, may not renew their Section 8 contracts and opt out of the program, resulting in a loss of housing that is affordable to low income people. And other HUD programs could suffer further cutbacks in order to plug the \$2 billion gap in Project-Based Section 8 renewal needs.

Advocates are urged to contact their Members of Congress to inform them about the funding shortfall for project-based Section 8 renewals in the FY08 HUD appropriations bill (see related article elsewhere in Memo).

The letter to Secretary Jackson from Senator Dodd and the other Senators can be found at www.nlihc.org.

The National Leased Housing Association's summary of the issue can be found here:

www.hudnlha.com/housing_news/70_FALL_SEMINAR.asp.

HURRICANE RECOVERY

FEMA Authorizes Travel Trailer Occupants to Move to Hotels

On August 22, the Federal Emergency Management Agency (FEMA) released Disaster Specific Guidance on Emergency Lodging Assistance (ELA) now available for occupants of FEMA travel trailers. FEMA's new policy will allow for individuals currently living in travel trailers to relocate to hotel or motel lodgings paid for by FEMA.

Travel trailers have been the subject of considerable controversy due to reports of toxic levels of formaldehyde found in many trailers occupied by hurricanes Katrina and Rita evacuees in Texas, Louisiana, Mississippi and Alabama (see Memo, 8/3).

Unlike manufactured housing, which is subject to HUD standards, travel trailers are not considered permanent housing and not regulated by HUD. More than 64,000 households displaced by hurricanes Katrina and Rita still occupy either travel trailers or manufactured housing. Most are in travel trailers.

For several months, FEMA has been trying to move families out of the trailers and into rental housing. But there remains an acute lack of rental housing in the affected areas on the Gulf Coast.

The hotel option is available upon request, provided that the travel trailer occupant is unable to locate alternative housing within a reasonable distance and if the individual does not wish to relocate beyond 50 miles of their current location. FEMA will pay the cost for the hotel room for 30 days or until an alternative housing unit is found within 50 miles of the household's current location. If a household living in the travel trailer is found to be ineligible for the temporary housing program, ELA will be available for 30 days only.

To read FEMA's Guidance on Emergency Lodging Assistance, go to www.nlihc.org.

Hurricane continued on page 5

Hurricane continued from page 4

Bill Introduced to Authorize Low Income Rental Housing Repair after a Disaster

On August 3, Representatives Nita Lowey (D-NY) and Brian Higgins (D-NY) introduced H.R. 3422 to amend Section 406 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The bill would “ensure that certain tenants are able to return to affordable housing after a major disaster.”

H.R. 3422 would authorize the Federal Emergency Management Agency (FEMA) administrator to provide funding to a landlord of affordable rental units damaged or destroyed by a major disaster for repair, restoration, reconstruction or replacement of the units. In order to qualify for such funding, the units must have been available to low and moderate income families, as defined by the FEMA administrator, before the disaster, and the owner of the units must agree to keep the units affordable for a period of time determined by the FEMA administrator.

Low income housing advocates have been working toward such a change to the Stafford Act since soon after Hurricane Katrina and will urge passage of H.R. 3422.

The bill has been referred to the House Committee on Transportation and Infrastructure.

Bill Introduced to Address Road Home Shortfall

On September 6, Senator Mary Landrieu (D-LA) introduced S. 2028, a bill to require the state of Louisiana to match federal funding to fully address the Road Home Program shortfall. This bill is similar to a provision already included in S. 1668, the Gulf Coast Housing Recovery Act of 2007, introduced by Senators Landrieu and Christopher Dodd (D-CT) (see Memo, 6/15, 6/22).

FROM THE FIELD

Maine State Partner Plays Key Role in Protection of State Housing Fund

NLIHC state partner Maine Affordable Rental Housing Coalition (MARHC) helped to draft and pass legislation to protect the

dedicated revenue source for the state’s housing trust fund, known as the Housing Opportunities for Maine (HOME) Fund. The June passage of the bill, L.D. 936, will serve to protect the state’s 22-year-old HOME Fund from legislators who have used the fund to cover other budgetary shortfalls in the past. In 1985, Maine established the HOME Fund with dedicated revenue from the state’s real estate transfer tax, but over the past 10 years the legislature has diverted varying amounts of HOME Fund dollars to other budget items.

“By law, 45% of the transfer tax revenue is dedicated to the HOME Fund, another 45% to the general fund, and 10% to the counties,” Greg Payne, Coordinator for MARHC, said. “But what has been happening is that every year the legislature diverts a large chunk of the HOME Fund portion to fill some other budgetary hole.”

The diversion of HOME Fund dollars has also helped to create a significant shortfall in affordable housing production in Maine. In its April 2007 report, the Maine State Housing Authority calculated that \$7.5 million diverted to the state’s General Fund would represent a wasted opportunity to leverage another \$52 million in federal housing funds.

“We had two concurrent challenges during this past legislative session,” Payne said. “One was to prevent another large raid on this year’s HOME Fund allocation, and the second was to protect the fund from future such raids. The goal was to create a layer of protection for this critical source of funding for affordable housing. In the end, there were really two victories. One was a smaller diversion of funds than in years past, and the second was the passage of L.D. 936, which creates new hurdles for future efforts to raid the Fund.”

Payne added, “LD 936 may not prevent future diversions from occurring, but its passage is important because the hundreds of low income people, developers, service providers and advocates – including many members of Maine People’s Alliance – who mobilized in support of affordable housing ultimately convinced the legislature to make a statement about the value of the fund.”

MARHC is a diverse coalition of developers, community action agencies, public housing authorities, investors, housing and service providers, advocates and others working to increase the supply of quality, affordable rental housing throughout Maine.

Contact: Greg Payne, 207-553-7780, ext. 211, gpayne@avestahousing.org.

RESOURCES

New Working Families Housing Report Released

A new working families report from the National Housing Conference finds that since the 1990s critical housing needs worsened in 27 of 31 metro areas. The Housing Landscape for America's Working Families 2007, released on August 30, looks at the trend in severe housing cost burden and other critical housing problems over the past two decades utilizing the American Housing Survey (AHS). While a number of recent studies have looked at trends in the national data, this report stands out by emphasizing trends in the 31 metro areas surveyed as part of AHS, also comparing conditions in suburban and urban areas within these areas. Along with finding that conditions worsened in most areas surveyed, the report also indicates that the incidence of critical housing needs among working families was similar in suburban areas and the urban cores most often associated with housing problems.

As in past working families reports, data are presented for a variety of households but the focus is on working families, or households with at least one member working the equivalent of a full-time job and earning at least the annual minimum wage of \$10,712, but no more than 120% of the median income in their area.

Along with a published report, the report's website provides a summary of the key findings as well as metropolitan area rankings and profiles. The report can be found here: www.nhc.org/pdf/pub/landscape2007_08_07.pdf.

NLIHC NEWS

NLIHC Welcomes New Members

Welcome to these new members, who joined in August 2007:

Robert Baxter, Schererville, IN

Kathryn Bartholomew, Bozeman, MT

Bayou Towers Resident Council, Houma, LA

Sidney Boyle, Cincinnati, OH

Shirley Carraway, Winterville, NC

Eleanor Helms, Raleigh, NC

Jeannine M. Love, College Park, MD

Jeanne Majors, Flushing, NY

Neshia Morris, Baton Rouge, LA

Denise Oliveira, New York, NY

Senator Circle Resident Council, Houma, LA

Lloyd T. Smith, Cincinnati, OH

NLIHC Membership Renewals Due

If your NLIHC membership annual renewal date was July 1 and you have not yet renewed, you are past due. Please renew your membership with NLIHC today. Please avoid a disruption in your receipt of Memo to Members and return your renewal form and dues today. We would appreciate your prompt attention, as sending multiple past due renewal notices is costly and time consuming, resources better directed to NLIHC's advocacy programs. Thank you.

NLIHC Welcomes Outreach Intern

David Searle joined NLIHC as an Outreach Intern on September 5. He is currently in his sophomore year at the University of Maryland, College Park, where he majors in both Mathematics, and Government and Politics. He is originally from Winnipeg, Canada and enjoys political activism. David worked on the campaign to elect Ben Cardin to the U.S. Senate last year.

FACT OF THE WEEK

Cities with the Greatest Increase in Critical Housing Needs* Among Working Family Households**

Rank	Metro Name (Year Surveyed)	Percentage Increase
1	Denver (1995-2004)	162%
2	Charlotte (1995-2002)	86%
3	Kansas City (1995-2002)	84%
4	Sacramento (1996-2004)	81%
5	Pittsburgh (1995-2004)	72%

*Paying more than half of your income for housing and/or living in dilapidated conditions. **Working the equivalent of a full-time job and earning at least the annual minimum wage of \$10,712, but no more than 120% of the median income in their area.

Source: Brennan, M. and Lippman, B.J. (2007). The Housing Landscape for America's Working Families, 2007. Washington, D.C.: National Housing Conference.

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Elisha Harig-Blaine Outreach Associate, x316
Jake Kirsch Outreach Associate, x 244
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ABOUT NLIHC

The National Low Income Housing Coalition is dedicated solely to ending America's affordable housing crisis. Established in 1974 by Cushing N. Dolbeare, 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.

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 on our website, at www.nlihc.org, or by fax, mail, or e-mail. Just e-mail us at membership@nlihc.org or call 202-662-1530 to request membership materials to distribute at meetings and conferences.