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NATIONAL LOW INCOME HOUSING COALITION

MEMO TO MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

NLIHC 2013 CONFERENCE

Time is Now to Register Online for United for Action Conference and Lobby Day

There is just one week remaining to register online for United for Action, the NLIHC 2013 housing policy conference and lobby day. Online registration will close on March 11. Mailed registrations will be accepted until March 13. On-site registration will begin at 12 noon on Sunday, March 17.

United for Action will take place Sunday, March 17 through Wednesday, March 20 at the Omni Shoreham Hotel in Washington, D.C. The full schedule of workshops and events is available at http://bit.ly/VC4k5E.

To register, go to www.nlihc.org/conference. The site includes detailed information that can help you plan your participation. Or, to download a registration form, go to http://bit.ly/WrHPhK (PDF).

Be sure to plan your travel arrangements so you can take advantage of everything United for Action has to offer, including programming Sunday afternoon and evening.

NATIONAL HOUSING TRUST FUND

Bipartisan Housing Commission Cites Mortgage Interest Deduction Reform as Way to Provide Housing Aid to Neediest Americans

The Bipartisan Policy Center's Bipartisan Housing Commission released its report on the future of federal housing policy on February 25. Of great importance to advocates for low income rental housing is the call for rent assistance for all extremely low income households (30% AMI or less). No details are offered about how a program of guaranteed rent assistance would be structured.

The commission is clear, however, that the lottery system of distributing rent assistance that means only one in four eligible households receives housing help is wrong and must end. For households with incomes between 31% and 80% of AMI, the commission recommends a program of short-term emergency rental assistance to help families through financial crises and prevent them from becoming homeless.

The commission suggests that the increased cost for providing such assistance should come from reform of the mortgage interest deduction. Specifically, the "commission recommends consideration of further modifications to federal tax incentives for homeownership to allow for an increase in the level of support provided to affordable rental housing." Thus, the commission takes the same position as the National Housing Trust Fund Campaign that if there are to be changes to the mortgage interest deduction, the savings should be used for housing for the lowest income people.

The commission affirmed support for funding the National Housing Trust Fund in the context of replacing Fannie Mae and Freddie Mac. The commission "recommends retaining in a reformed housing finance system the fee adopted by Congress in the Housing and Economic Recovery of 2008 (HERA)…. Revenue generated should be used to fund the National Housing Trust Fund and the Capital Magnet Fund."

Among the other recommendations for affordable rental housing are doubling the Low Income Housing Tax Credit, increasing HOME by $1-$2 billion, and spending $4 billion a year in the capital needs of public housing. The commission also calls for outcome-based measures of evaluation for public and assisted housing, with expanded deregulation for high performers and replacement of poor performers with high performing agencies selected through a competitive process.

While most of the report deals with homeownership and the role of the federal government in housing finance, the content on affordable rental housing documents the acute shortage of affordable housing for the lowest income people and the imbalance between federal housing subsidies that support home ownership for higher income people and those that fund rental housing for the very poor.

The 21-member commission, c0-chaired by former HUD Secretary Henry Cisneros, former HUD Secretary and U.S. Senator Mel Martinez (R-FL), and former Senators Christopher Bond (R-MO) and George Mitchell (D-ME), was established by the Bipartisan Policy Center in 2011 to "help set a new direction for federal housing policy" in the wake of the collapse of the U.S. housing market. The commission's work was funded by the John D. and Catherine T. MacArthur Foundation.

To read the full report, go to http://bit.ly/XRAZDA.

Senate Budget Committee to Hold Hearing on Wasteful Tax Expenditures

The Senate Budget Committee, chaired by Senator Patty Murray (D-WA), will hold a hearing on March 5 entitled, "Reducing the Deficit by Eliminating Wasteful Spending in the Tax Code." The witnesses are Edward D. Kleinbard, Professor of Law, University of Southern California Gould School of Law and former Chief of Staff of the U.S. Congress's Joint Committee on Taxation; Jared Bernstein, Senior Fellow, Center on Budget and Policy Priorities; and Russell Roberts, Research Fellow, Hoover Institution.

The hearing announcement says that the focus of the hearing will be "making sure we are tackling the deficit in a balanced and fair manner and calling on the wealthiest Americans and biggest corporations to pay their fair share, rather than solely by cutting programs that are critical to families, seniors, and communities nation-wide."

The hearing will be at 10:30am in Room 608 of the Dirksen Senate office building.

FEDERAL BUDGET

Congress Fails to Avert Sequestration; Administration Begins Implementation

Lawmakers in Washington, D.C. spent the last week of February scrambling unsuccessfully to avoid sequestration. On March 1 at 8:31 pm President Barack Obama signed the executive order requiring federal agencies to implement sequestration.

The Budget Control Act of 2011 (BCA) required the sequestration of discretionary funds for 10 years, which means making across-the-board cuts to achieve a $1.2 trillion reduction in the deficit over a 10-year period (see *Memo*, 1/4). These cuts, originally scheduled for January 2, were postponed to March 1 by the American Taxpayer Relief Act of 2012.

Sequestration of FY13 discretionary funds will decrease HUD and USDA Rural Housing budgets by 5%. Because the cuts will be implemented starting in the sixth month of the fiscal year, the effective rate of the cuts will be 9% for non-defense discretionary spending. Final FY13 funding levels for federal agencies have still not been determined (see next article in *Memo*.)

After a week of discussion and sparring in Congress, on February 28, the Senate voted down both a Republican bill and a Democratic bill to avert sequestration. S. 16, the Republican plan, would have postponed sequestration until March 15, but received only 38 votes, with both Republicans and Democrats voting against it. The Democratic bill, S. 388, failed by a 51-49 vote, with several Democrats opposing. S. 388 would have replaced sequestration with targeted cuts and increases in revenue to achieve the nation's deficit reduction goals. Numerous other proposals circulated in the Senate during the week, but Senate leadership agreed that the chamber would vote on only one bill from each party.

On February 28, President Obama issued a statement on sequestration saying, "Tomorrow I will bring together leaders from both parties to discuss a path forward. As a nation, we can't keep lurching from one manufactured crisis to another." He convened House and Senate leaders for a morning meeting on March 1 in the hopes of reaching a bipartisan agreement. However, before the White House meeting, Senate Minority Leader Mitch McConnell (R-KY) told the press that he would not make a last-minute deal and did not expect for the leaders to come to an agreement on averting sequestration during the month.

Indeed, the meeting lasted less than an hour and did not result in a solution to sequestration. The President held a press conference after the meeting and announced that sequestration would go into effect on March 1. He emphasized he does not believe it should, saying the country "shouldn't be making a series of arbitrary cuts… This is unnecessary, and at a time when too many Americans are still looking for work, it's unacceptable."

President Obama placed responsibility for these cuts on the Republicans, saying, "Let's be clear: none of this is necessary. It is happening because of a choice Republicans in Congress have made. They've allowed these cuts to happen because they refuse to budge on closing a single wasteful loophole to reduce the deficit."

The President hopes discussions with lawmakers on replacing sequestration will continue in March. He concluded, "I do believe that we can and must replace these cuts with a balanced approach that asks something of everyone."

With lawmakers departing D.C. for their home districts on March 1, there was no possibility that eleventh-hour Congressional action could reverse the course.

House Speaker John Boehner (R-OH) thinks that if an agreement on replacing sequestration is reached after March 1, it could be included in the continuing resolution for FY13 funding. The Speaker said that the House would advance another continuing resolution (CR) to allow Congress additional time beyond the expiration of the current CR to come to agreement. He said he hoped this would avert a government shutdown when the current CR expires on March 27 (see next article in *Memo*). The President has indicated that he would not veto an FY13 spending bill in order to avoid a government shutdown. House and Senate Democrats have also indicated they are not interested in causing a government shutdown over the FY13 spending measure.

However, reports have surfaced that the CR may include ways for the Administration to mitigate the effect of sequestration on defense and veterans' programs by allowing flexibility in how the cuts will be implemented. No such flexibility for non-defense programs has yet to be considered.

On the afternoon of March 1, the Administration's focus quickly moved to preparing for sequestration. As the President issued the executive order to implement sequestration, the Office of Management and Budget (OMB) issued a letter and a report to Congress on the level of cuts federal agencies are responsible for implementing.

As anticipated, the cuts to HUD programs are deep. The public housing operating fund will be cut by $199 million from its FY12 level, which was already artificially low due to the use of PHA reserves for some operating subsidies. The public housing capital fund must absorb a $94 million cut, the Housing Choice Voucher program will receive a $938 billion cut, and project-based rental assistance will be cut by $470 million. OMB is expected to issue more detailed instructions to federal agencies on implementation of cuts.

HUD Secretary Shaun Donovan has stated that cuts to the department's programs would result in devastating impacts, including: 125,000 households losing their housing choice vouchers; 100,000 formerly homeless people losing their housing or shelter; 7,300 households served by the Housing Opportunities for Persons with AIDS (HOPWA) program losing assistance and being at risk of homelessness; 3,000 of the most vulnerable children being less safe from lead and other health hazards; 7,500 fewer households receiving foreclosure or pre-purchase housing counseling; tens of thousands of people losing jobs funded by the Community Development Block Grant; and public housing agencies deferring maintenance and repairs of deteriorating units (see *Memo*, 2/15).

HUD issued sequestration guidance to public housing agencies on voucher administration on February 18 and on the public housing operating fund on February 25. HUD was prepared to issue further guidance to state and local governments regarding funding levels and implementing cuts on March 1 after the sequestration order was signed. HUD is expected to post sequestration implementation guidance in a new section of its website starting the week of March 4.

The Congressional Budget Office (CBO) posted a blog entry with frequently asked questions (FAQs) on sequestration on February 28. The FAQs include information on the size of the FY13 and FY14 cuts and the impact that budgetary changes are projected to have on economic growth.

The White House continued to post information on sequestration on a webpage which includes an FAQ and state-by-state sequestration impacts. The Administration is expected to continue to add guidance to this site as sequestration is implemented.

On March 3, Speaker Boehner and Minority Leader McConnell made public statements indicating possible interest in replacing sequestration with a broader deficit reduction plan. Other Republican Members of Congress reportedly made statements indicating willingness to incorporate revenue into such a replacement plan after the sequestration order was issued.

While some effects of sequestration will be seen immediately, such as cuts to programs that receive regular monthly disbursements, other effects, such as furloughing of union employees, are expected to be phased over the month of March. Some lawmakers view this time period as an opportunity to continue negotiations before Americans experience the full impacts of sequestration.

View the President's sequestration order at http://1.usa.gov/Wq0Nf3.

View the letter from OMB to Congress at http://1.usa.gov/Z8LBhi.

View the President's Feb. 28 statement at http://1.usa.gov/YEPPN0.

View the President's March 1 press conference statements at http://1.usa.gov/YEPSIE.

View HUD's sequestration webpage at http://1.usa.gov/XRFWfz.

View the HUD guidance at http://nlihc.org/sites/default/files/HUD_PHA_Sequestration_Guidance_2013.pdf.

View the White House sequestration page at http://1.usa.gov/YEPU2Z.

View the CBO blog post on sequestration at http://1.usa.gov/YEPWIn.

Budget Work for FY13 and FY14 Impeded by Sequestration

Congress spent another week juggling the major fiscal challenges of finalizing FY13 spending, addressing sequestration, and developing an FY14 budget, but made little progress due to lack of regular order in the budget and appropriations process. The threat of sequestration consumed much of lawmakers' and the Administration's focus in February. The Administration has still not submitted its FY14 budget request to Congress, a month past the statutory deadline.

During the week of February 18, House Committee on Appropriations Chair Harold Rogers (R-KY) announced plans to introduce an FY13 funding bill that would provide a full-year continuing resolution (CR) for all federal departments. Programs receive funding at FY12 levels under the current CR, which expires on March 27.

The Administration submitted a list of "anomaly" requests for HUD to the Committee, including increases over FY12 funding for the Native American Housing Block Grant and the Public Housing operating fund. The public housing operating fund was underfunded in FY12 because public housing agency reserves were used in that year only to supplement the appropriation. An "anomaly," in the context of a CR, is any special provision included to address the particular needs of a program. Because CRs typically continue the previous fiscal year's funding into the current fiscal year, programs in CRs are level-funded.

House and Senate leaders explicitly linked the anticipated CR with efforts to avert the March 1 implementation of sequestration. House Speaker John Boehner (R-OH) indicated that he anticipates the CR could be used to move a sequestration replacement package negotiated later in the month. The Speaker also indicated that the House would introduce a CR to extend the current deadline of March 27 to allow for additional sequestration negotiation time while averting a government shutdown. Congressional Democrats and the President indicated that they also wish to avoid a government shutdown (see article elsewhere in *Memo*).

Despite not having an FY13 budget or an understanding of how sequestration would be handled, the House authorizing committees marked up their "FY14 Budget Views and Estimates" during the week of February 25. These documents are usually crafted in relation to the President's budget request to Congress, creating a dialogue between Congress and the Administration. Instead of waiting for the President's request, the House Committee on the Budget instructed authorizing committees to craft and submit their "Views and Estimates" by winter 2013, according to the House Committee on the Budget's Oversight Plan, which authorizing committees have taken to mean by early March. The documents generally reflect the opinions of the majority party.

The House Committee on Financial Services marked up its "Views and Estimates' on February 26. The committee criticized HUD's administration of its programs, stating concerns over "unexpended balances and slow spend-out" rates. It also criticized HUD's major rental and homeownership programs. The committee noted that there are numerous HUD programs that are not currently authorized, such as the Choice Neighborhoods Initiative program. "The Committee continues to have specific concerns about HUD's administration of the Section 8 program, the HOME Investment Partnerships Program, the Section 202 and Section 811 programs for elderly and persons with disabilities, and the Community Development Block Grant (CDBG) program."

Regarding tenant-based rental assistance, the committee "believes that the public is better served not by expanding Section 8 but by reforming the program so that public housing authorities can serve more people within existing funding levels."

The committee also indicates in this document that it will continue to review USDA rural housing programs "with an eye toward consolidating or reducing duplicative programs."

Debate during the markup focused fairly little on the document at hand, and instead devolved into a partisan debate over sequestration implementation. Committee Democrats stated their view that it is premature for the committee to submit its budget priorities without having an FY13 budget and without understanding the impact of sequestration on the programs within the Committee's jurisdiction. Republicans countered that the President and Democrats are exaggerating the impact sequestration will have on these programs and that it is appropriate for the committee to proceed with FY14 budget work regardless of these potential impacts.

Also on February 26, the House Committee on Agriculture held a business meeting to debate its own "Views and Estimates." Ranking Member Collin Peterson (D-MN) said that the Committee on Agriculture is the only committee to submit a majority and minority joint letter to the House Committee on the Budget. Rural housing was not discussed in the committee's letter.

The President is now expected to submit an FY14 budget request to Congress toward the end of March.

View the House Financial Services Views and Estimates at http://1.usa.gov/YEP6Lw.

View the House Agriculture Views and Estimates at http://1.usa.gov/YEPaeh.

MORE CONGRESS

Violence Against Women Act Reauthorization Passes House, Sent to President

The House of Representatives approved the Senate-passed Violence Against Women Act (VAWA) reauthorization bill, S. 47, on February 28. The measure, which passed the Senate on February 12 (see *Memo*, 2/15), is expected to be signed into law by President Obama.

The measure was approved after a Republican effort to pass an amendment in the nature of a substitute failed by a vote of 166 to 257. The failed amendment omitted some provisions in the Senate-passed bill, including those that ensure that lesbian, gay, transgendered, and bisexual individuals are covered by VAWA's protections. The Republican version also would have removed language to further protect immigrant and Native American survivors of abuse.

This is the third time this year that House Republican leadership has opted to bring forward a major bill that does not garner votes from a "majority of the majority," the so-called Hastert rule. The measure passed by a vote of 286 to 139, with just 87 Republicans voting in support of the bill.

S.47 expands the federal housing programs covered by VAWA housing protections to include Rural Development housing programs and Low Income Housing Tax Credit-funded properties. The bill ensures that survivors of sexual assault, in addition to survivors of domestic violence, dating violence, and stalking are covered by the protections. The measure requires public housing agencies and subsidized housing owners to provide notice of VAWA rights to residents, and to adopt emergency transfer plans for residents who need to move due to domestic violence, dating violence, sexual assault, or stalking.

The full text of S. 47 is available at http://1.usa.gov/Zhzi8e.

Senate Takes Up FHA

The Federal Housing Administration (FHA) was the focus of a Senate Committee on Banking, Housing and Urban Affairs hearing on February 28. Dubbed the second part of a hearing held by the committee in December during which FHA Commissioner/Assistant Secretary for Housing Carol Galante testified, the February hearing included a spectrum of witnesses.

HUD delivered its annual report on the FHA's single-family Mutual Mortgage Insurance Fund to Congress in November 2012. In FY12, according to the report, the fund's economic value was a minus $16.3 billion. Since the November report, both the House and Senate have held hearings scrutinizing the FHA's reserves, the potential for the FHA to seek federal appropriations, and its share of the mortgage insurance market.

Committee Chair Tim Johnson (D-SD) opened the hearing, saying that the negative $16.3 billion figure "does not mean the FHA will seek funds from the Treasury." More will be known about this need when the President's FY14 budget request is released and the ultimate decision as to whether the FHA needs federal funds is made by the Office of Management and Budget in September. Ranking Member Senator Michael Crapo (R-ID) said in his opening statement that taxpayers and homebuyers both need a sustainable FHA.

Witness Sarah Rosen Wartell of the Urban Institute testified that the FHA should be allowed to be more reactive to its risks. She said that if the FHA's ability to constrain its losses was not dependent on legislation or lengthy rulemaking, it would not have suffered such significant losses. It took HUD more than 15 months to stop seller-financed loans from receiving FHA insurance, long after HUD itself proposed banning them and Congress prohibited the practice. "It shocks the conscience that officials must continue to accept loans for insurance when they know that taxpayers are being exposed to unnecessary risk," Ms. Wartell said.

Seller-financed loans are to blame for a significant portion of the FHA's current negative balance. In Ms. Galante's December testimony before the committee, she stressed the damage such loans have had on the FHA's financial health. "Those loans are projected to cost the Fund $15 billion as they continue to experience elevated rates of insurance claim. In fact, the Actuary estimates that, if FHA had not insured any seller-funded-down payment loans, the net economic value of the MMI Fund would be positive $1.77 billion today," Ms. Galante wrote in her testimony.

The FHA's loan limits were also a topic of discussion. In response to a question from Senator Bob Corker (R-TN) as to whether the FHA's loan limits should be so high, David Stevens, former FHA Commissioner and now President and CEO of the Mortgage Bankers Association, said that the loan limit is mission issue, rather than a risk issue. The limit, Mr. Stevens said, would need to be scaled back, but that must done in a way that ensures private capital is stepping into to cover any gaps. The current FHA loan limit in high-cost areas is $729,750. Senator Joe Manchin, III (D-WV) also commented on the FHA's high loan limits, saying, "Loaning $700,000? I don't think that's FHA's role." Senator Patrick Toomey (R-PA) suggested that it might make sense to look at income limits for participation in FHA loan products.

The House Committee on Financial Services has two upcoming hearings on the FHA. The first is a Subcommittee on Capital Markets Hearing on FHA's competitive advantages on March 13. The second is a full committee hearing on the FHA on March 19. Both hearings will be at 10am in room 2128 of the Rayburn House office building.

Access a webcast of the hearing as well as all testimony at http://1.usa.gov/YEQON3.

GSE Hearing Scheduled in House

The House Financial Services Subcommittee on Capital Markets and Government Sponsored Enterprises will hold a hearing, "Fannie Mae and Freddie Mac: How Government Housing Policy Failed Homeowners and Taxpayers and Led to the Financial Crisis," on March 6. The hearing will be held at 10am in room 2128 of the Rayburn House office building. No witnesses have been named to date.

New Bills

Bill on Homeless Veteran Definition Reintroduced

Senator Mark Begich (D-AK) introduced S. 287, legislation to expand the definition of homelessness for veterans, on February 12. This is a reintroduction of a bill he authored in the 112th Congress.

The bill would assure that veterans fleeing domestic violence or another life-threatening condition be eligible for assistance under the McKinney-Vento Homeless Assistance Act. The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 updated the definition of homelessness to cover individuals fleeing domestic violence. However, the definition of "homeless veteran" was not updated to reflect this change.

The legislation has been referred to the Senate Committee on Veterans' Affairs and has four cosponsors as of this writing.

The full text of S. 287 is available at http://1.usa.gov/Z305zq.

Surplus Property Disposition Bill Reintroduced in House

Representative Jeffrey Denham (D-CA) introduced the Civilian Property Realignment Act, H.R. 695, on February 14. The legislation was referred to the House Committees on Transportation and Infrastructure, Oversight and Government Reform, and Rules. The measure has nine cosponsors. This is also a reintroduction of a bill from the last Congress.

H.R. 695 would create a commission, similar in concept to those used by the Base Realignment and Closure (BRAC) process, to make expedited determinations on the disposition of vacant, surplus federal properties.

Currently, homeless service providers have the first right of refusal for surplus properties, as authorized under Title V of the McKinney-Vento Homeless Assistance Act. When considered in the House in the 112th Congress, CPRA waived Title V rights completely. The legislation was amended prior to floor consideration to require that Title V be applied to some properties that are of a certain size and value. H.R. 695 requires that Title V be applied to all properties under 25,000 square feet or valued at less than $5,000,000.

While the intent of the bill is deficit reduction, the legislation authorizes new appropriations of $82 million to implement the commission.

The legislation passed the House in the 112th Congress but was not acted on by the Senate, and therefore died at the end of the last Congress (see *Memo*, 2/10/12).

The full text of H.R. 695 is available at http://1.usa.gov/Z31TbF.

HUD

Full Report on Worst Case Housing Needs Expected in April

HUD is now expected to release the full version of its *Worst Case Housing Needs 2011 Report* to Congress in April. HUD issued an executive summary of this report on February 22 (see *Memo*, 2/22), which found a 19% increase in the nation's worst case housing needs between 2009 and 2011. Households are defined as having "worst case housing needs" if they are very low income renters and pay more than half of their incomes for rent, or live in severely inadequate housing.

View the NLIHC press release on the executive summary at http://bit.ly/XRDRAf.

HUD Introduces Fair Housing App

HUD's Office of Fair Housing and Equal Opportunity (FHEO) now has a mobile application (app) for submitting a housing discrimination complaint. The app provides information about housing rights and enables someone to file a housing discrimination complaint to HUD. The app is for iPhone and iPad.

In conjunction with the fair housing mobile app, FHEO also has HTML 5-adaptive mobile pages that allow web content to be displayed regardless of the brand of smart phone or tablet. The mobile pages are in English and Spanish and allow individuals to complete and submit the fair housing complaint form in either language.

"Having this first fair housing mobile application equips people everywhere with the information they need to combat housing discrimination," said John Trasviña, HUD Assistant Secretary for Fair Housing and Equal Opportunity. "We are maximizing the latest technology to make the process for filing fair housing complaints faster and easier and arming our fair housing partners with the information they need to understand their fair housing rights and responsibilities."

The mobile adaptive pages and link to the Fair Housing app is at http://1.usa.gov/Z32c6j.

HEALTH AND HUMAN SERVICES

HHS Urges Use of TANF to Prevent and Address Homelessness

The Department of Health and Human Services (HHS) issued Information Memorandum (IM) TANF-ACF-IM-2013-01 on February 20, which urges jurisdictions administering Temporary Assistance for Needy Family (TANF) funds to use this resource to help families avoid or exit homelessness.

Federal TANF and state Maintenance of Effort (MOE) funds may be used to address the housing-related needs of families who are homeless or precariously housed. Families do not have to be receiving TANF cash assistance in order to qualify for housing services, although those receiving a cash grant may use TANF assistance to pay for housing.

Along with providing ongoing basic assistance, a TANF program may provide an array of non-recurrent, short-term benefits and services. These must last no longer than four months and must address a specific crisis situation rather than meet ongoing needs. For example, a jurisdiction can use federal TANF and MOE funds to provide: short-term rental or mortgage assistance to prevent eviction or help a homeless family secure housing; security and utility payments; moving assistance; motel and hotel vouchers; case management services; financial and credit counseling; legal services; housing search and placement services; and administrative costs associated with any of these activities.

TANF funds can also be used in coordination with HUD's targeted homeless assistance grant programs, such as the Continuum of Care (CoC) program and the Emergency Solutions Grant (ESG) program, to maximize the impact of both resources. For example, TANF could be used to pay for rental assistance while ESG is used to pay for supportive services to help a family remain housed.

The IM includes several examples of how states have used TANF to serve homeless families.

Information Memorandum TANF-ACF-IM-2013-01 is available at http://1.usa.gov/YER0vR.

FROM THE FIELD

Connecticut Governor Continues Commitment to Affordable Housing

As Connecticut braces for sequestration, Governor Dannel Malloy (D) proposed that the State's biennial budget include an additional $217.5 million for the creation and renovation of affordable and supportive housing. The Connecticut Housing Coalition (CHC), an NLIHC State Coalition Partner, applauds Governor Malloy for his continued dedication to affordable housing issues.

The governor's announcement on February 6 builds on the commitment that his administration began in 2012, when it included more than $330 million for affordable and supportive housing over the prior year's budget, Connecticut's largest housing investment in two decades (see *Memo*, 2/24/2012). The total investment now stands at more than $500 million through 2022.

The FY14-15 proposal would authorize $136 million in capital funding to develop or rehabilitate affordable housing for low income households and working professionals. It also would provide $60 million in state bonding to revitalize Connecticut's public and affordable housing portfolio of approximately 17,000 units as the second and third years of a 10-year, $300 million commitment. It would be supported with $3 million annually for 300 new state rental assistance vouchers to ensure an adequate ongoing revenue stream to prevent future deterioration.

The budget addresses homelessness, including $20 million to develop 100 new units of supportive housing with an annual $1 million for rental assistance subsidies and $1 million for supportive services. It also adds $500,000 for housing relocation and stabilization services and short-term financial assistance to help homeless families move into permanent housing and achieve stability. Further, $1 million in financial incentive payments would help municipalities plan for and create mixed-income housing.

Advocates are excited that the governor's bill includes language to implement the State Department of Housing, which was established in 2012 to oversee the governor's housing initiatives. The department consolidates housing and homelessness programs and responsibilities once housed in the Departments of Economic Development, Social Services, Mental Health and Addiction Services, and the Office of Policy and Management (see *Memo*, 10/19/2012). Representatives from CHC and the Publicly Assisted Housing Resident Network and Partnership for Strong Communities, both NLIHC members, serve on the department's advisory committee.

Advocates will work actively to promote the governor's budget during the legislative session and hope that its housing goals will be well received. The budget will be debated over the next several months, with final adoption expected in early June 2013.

"In a year when we are all bracing to deal with less, Governor Malloy has delivered a budget that continues his historic commitment to increase in the state's investment in affordable housing," said Betsy Crum, CHC's executive director. "At the Connecticut Housing Coalition, we hear every day from families who need housing and understand the critical role it plays in creating a healthy, sustainable state. We stand ready to work with the governor and the legislature toward this vision of affordable, healthy communities."

For more information, contact Betsy Crum at betsy@ct-housing.org.

RESOURCES

New *Housing Spotlight* Shows Lack of Affordable Housing Pervasive Across the United States

NLIHC's latest *Housing Spotlight* provides new evidence of the deepening housing shortage nationwide. In 2011, the number of extremely low income (ELI) renter households, with incomes at or below 30% of the area median income (AMI), reached 10.1 million. Yet, there were only 3 million units both affordable and available to these families. Over three-quarters (76%) of ELI households face a severe housing burden, paying over 50% of their income towards rent and utility costs alone. These households have little income left over for other expenses, and face an increased risk of homelessness. NLIHC's new research demonstrates that the housing market fails to address the needs of ELI renters, and argues that funding the National Housing Trust Fund (NHTF) must be prioritized to address these unmet needs. The data in this *Housing Spotlight* are based on analysis the 2011 American Community Survey.

The number of renter households rose by one million nationwide between 2010 and 2011. ELI households drove 36% of this growth. Yet, most new units (61%) were priced for those with incomes above 80% of AMI. With few new units catering to ELI renter households, the affordable housing shortage intensified. Further exacerbating the problem is the fact that 45% of units affordable to ELI households are actually occupied by renters with higher incomes. After taking this into account, NLIHC finds that in 2011, there were only 30 affordable and available units for every 100 ELI renter households. Households with incomes at or below 50% of AMI also face a housing shortage: there are just 57 affordable and available units per 100 renter households below this income threshold.

With so few affordable units available on the market, ELI renters are frequently forced to spend a majority of their limited income on housing costs. Of 11.2 million renters with severe housing cost burden, 68% are ELI and 24% have incomes between 30% and 50% of AMI.

Along with the analysis of the affordable housing shortage at the national level, NLIHC provides some state-level analysis in this *Housing Spotlight*. The percentage of ELI renters with severe housing cost burden ranges from 55% in South Dakota to 88% in Nevada. States in the West and Southwest tend to have the fewest number of affordable and available rental units to their ELI renters. In no state is there a sufficient supply of affordable units available to ELI renters.

The brief concludes with a discussion of a solution to this problem. The National Housing Trust Fund (NHTF), when funded, will secure a dedicated source of funds for production, rehabilitation and preservations of rental homes for ELI and VLI households specifically. NLIHC proposes reforming the mortgage interest deduction by converting it into a 15% non-refundable credit, reducing the size of a mortgage eligible for a tax break from $1 million to $500,000 and using the savings generated to fund affordable housing through the NHTF.

Housing Spotlight: America's Affordable Housing Shortage, and How to End It can be found at http://bit.ly/YELSaX.

View the NLIHC press release on the report at http://bit.ly/XRDYMm.

Policy Fact Sheets Updated for March 2013

NLIHC's Policy Fact Sheets have been updated for March. Fact sheets provide the latest summaries of a variety of issues, including those on appropriations, the National Housing Trust Fund, vouchers, and more.

NLIHC's Fact Sheets can be found at http://nlihc.org/involvement/advocacy/factsheets.

NLIHC NEWS

NLIHC Announces 2013 Media Award Honorees

NLIHC is pleased to announce that Nikole Hannah-Jones and Jeff Larson of ProPublica will receive the 2013 Media Award for the series, "Living Apart: Fair Housing in America." The NLIHC Media Award recognizes journalists who have made a dedicated effort to inform the public about the inequities in housing and to add to the understanding of the disparities between the well-housed and the poorly or un-housed in a community.

"Living Apart" is an investigation into housing discrimination and housing segregation in the United States, as well as into the shortcomings of past fair housing laws. In addition to feature stories, the series uses maps, reader interaction and other tools to highlight the nation's continued struggle with housing discrimination. The series includes 13 articles to date. Some of the 2012 stories include:

• "How the Government Betrayed a Landmark Civil Rights Law" (October 28, 2012)

• "Discussion: What Should Communities Be Doing To Further Fair Housing?" (November 1, 2012)

• "Soft on Segregation: How the Feds Failed to Integrate Westchester County" (November 2, 2012)

• "Mapping Segregation in Westchester" (November 13, 2012)

As the lead author of the series, Nikole Hannah-Jones will accept the 2013 Media Award at NLIHC's Housing Policy conference on Monday, March 18. The award will be presented by MSNBC Host Melissa Harris-Perry at the morning plenary.

Ms. Hannah-Jones joined ProPublica in late 2011. Prior to that she worked at *The Oregonian*, where she exposed significant shortcomings in the enforcement of fair housing laws in Portland, eventually prompting officials to draft the city's first fair housing plan. Hannah-Jones is a three-time winner of the Society of Professional Journalists Pacific Northwest Excellence in Journalism Award.

Read "Living Apart: Fair Housing in America" at http://bit.ly/YEQfCM.

Congratulations to Nikole Hannah-Jones, Jeff Larson and ProPublica for their excellent work!

NATIONAL LOW INCOME HOUSING COALITION
MEMO TO MEMBERS
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FACT OF THE WEEK

Ten States with Least Number of Affordable and Available Units for Every 100 Extremely Low Income Renter Households

The number of affordable and available units per 100 renter households at or below the income threshold*

	ELI	**VLI**	**LI**
Nevada	17	38	98
Arizona	18	51	103
California	20	29	71
Oregon	20	40	94
Colorado	23	61	100
Florida	23	38	86
Texas	24	62	107
Utah	24	54	102
Georgia	26	57	105
Wisconsin	27	70	103

*Extremely low income (ELI) households have an income below 30% of the area median income (AMI); very low income (VLI) households have an income below 50% of AMI; Low income (LI) households have an income below 80% of AMI.

Source: NLIHC. (2013). *Housing Spotlight: America's Affordable Housing Shortage, and How to End It*. Washington, D.C.: Author. http://nlihc.org/article/housing-spotlight-volume-3-issue-1

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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.

Follow @NLIHC on Twitter!

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Check out NLIHC's blog, *On the Home Front*, at www.nlihc.wordpress.com!