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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

NLIHC Leadership Reception to Celebrate Housing's Great Champions

The National Low Income Housing Coalition hopes D.C.-area readers of *Memo to Members* will join us for a celebration of achievements in housing advocacy at the 31st Leadership Awards Reception on Tuesday, March 19 at 6pm at the Washington Court Hotel.

Hosted by Bank of America, the event honors Senator Olympia Snowe with the Edward W. Brooke, III Housing Leadership Award, and Dr. Chester Hartman with the Cushing Niles Dolbeare Lifetime Service Award. NLIHC's Leadership Reception features an open bar, appetizers and the company of members of all facets of the housing community.

A limited number of tickets remain available for purchase at the door.

For more information and list of previous honorees, visit www.nlihc.org/leadership.

NATIONAL HOUSING TRUST FUND

Bill to Fund NHTF Introduced; NHTF Provision Included in Senate Budget Resolution

Representative Keith Ellison (D-MN) introduced H.R. 1213, the Common Sense Housing Investment Act of 2013, on March 15. The legislation would modify the mortgage interest deduction to fund the National Housing Trust Fund (NHTF), as well as other programs aimed at expanding the supply of housing affordable to extremely low income (ELI) and very low income (VLI) households. Mr. Ellison first introduced the bill at the end of the 112th Congress. However, the measure was not acted on before the end of the session and therefore has been reintroduced, with modifications, in this new Congress (see *Memo*, 1/2).

Specifically, H.R. 1213 includes the modifications to the mortgage interest deduction proposed by NLIHC. The measure would lower the cap on mortgage interest for which a household can get a tax break from $1 million plus $100,000 in home equity loans to $500,000, and would convert the deduction to a 15% non-refundable credit.

These two changes to the mortgage interest deduction would result in approximately $197 billion in savings over ten years. The measure would expand the benefits of the mortgage interest tax break to an additional 16 million Americans, 99% of whom have incomes under $100,000. The bill calls for these modifications to be phased in over five years.

H.R. 1213 would apply the majority of these savings, estimated by Mr. Ellison's office to be approximately $109 billion over 10 years, to the NHTF. The measure would also apply a portion of the savings to the Low Income Housing Tax Credit, the Section 8 tenant-based and project-based rental assistance programs, and the Public Housing Capital Fund. The bill has been referred to the House Committees on Ways and Means and Financial Services. Representative Bobby Scott (D-VA) is the original cosponsor.

"The National Low Income Housing Coalition applauds Representative Ellison for his groundbreaking legislation that will invest billions of dollars to solve the acute shortage of housing that poor people can afford and not cost the federal government anything. The bill would make modest reforms to the mortgage interest deduction that will make it work better for low and moderate income homeowners. At the same time, these changes would save $200 billion over ten years to be used to fund the National Housing Trust Fund and other low income housing programs. It truly is just a common sense policy idea that ought to appeal to all reasonable people," said Sheila Crowley, President and CEO of the National Low Income Housing Coalition.

NLIHC has endorsed H.R. 1213 and urges its members to contact their congressional Representatives and ask them to cosponsor the measure.

In other NHTF news, the Senate's non-binding budget resolution (see article elsewhere in *Memo*) includes a deficit-neutral reserve fund to assist working families that allows, in part, funding for the National Housing Trust Fund. The inclusion of this provision is due to the efforts of Senator Jack Reed (D-RI) and Budget Committee Chair Patty Murray (D-WA), both longtime champions of the NHTF.

The full text of H.R. 1213 is available at http://nlihc.org/sites/default/files/HR1213.pdf.

FEDERAL BUDGET

Second Week of Sequestration Brings Additional Impacts, Replacement Proposals

In the two weeks since the implementation of sequestration, plans from the Administration on how cuts will be exacted and the potential impacts of the cuts have slowly emerged. During the week of March 11, Members of Congress put forth plans to replace sequestration, but appear to be no closer to a bipartisan agreement than they did at the end of February.

HUD issued additional guidance to public housing agencies, grantees, and HUD staff. HUD published additional guidance on its website regarding the Public Housing Operating Fund, Project-Based Rental Assistance, Housing Counseling, and Continuums of Care. HUD also sent letters to stakeholder groups, including NLIHC. HUD is scheduled to furlough staff for a total of 7 days. These seven days amount to one day per pay period for staff May through August, all scheduled as three-day weekends.

During the week of March 11, the House and Senate Committees on the Budget each passed concurrent resolutions on the budget for FY14 which would replace sequestration (see next article in *Memo*.) The House Budget Committee would replace sequestration with much deeper cuts to non-defense discretionary spending than in sequestration. The committee's budget would also end the even distribution of cuts between defense and non-defense spending. House Budget Committee Democrats have criticized the budget for hurting middle class and vulnerable Americans and plan to offer their own budget and sequestration plan the week of March 18. The House is scheduled take up the Budget Committee passed resolution during that week, as well.

The Senate Budget Committee-passed resolution would replace sequestration but still enact cuts to non-defense discretionary spending. These cuts would be at a much lower level than the House budget cuts and require less reduction in spending than sequestration (see next article in *Memo*.) Senate Budget Committee Republicans voted against the budget resolution, saying that it allowed for too much government spending.

Rather than furthering negotiations between parties on ending sequestration with a bipartisan deficit reduction package, the budget resolutions have demonstrated the still stark differences between Democratic and Republican philosophies about sequestration. The concurrent budget resolutions were thought to be the next likely legislative vehicle by which Congress could move a sequestration replacement plan. Despite these differences, the President continued discussions on ending sequestration, meeting with Congressional leadership in an attempt to pave the way for bipartisan agreement.

View HUD's letter to NLIHC at http://1.usa.gov/12X42NK.

Congress Juggles FY13 and FY14 Funding Actions; NHTF on Members' FY14 Agendas

During the week of March 11, Congress alternated between working on FY13 appropriations and the FY14 budget resolution, taking both positive and problematic steps forward in determining HUD and USDA Rural Housing funding.

After the House passed its FY13 full-year continuing resolution (CR), H.R. 933, on March 6, the Senate began to craft its own CR to be offered as a substitute amendment to the House bill (see *Memo*, 3/8). The House bill would fund HUD programs at FY12 levels in FY13.

Members of the Campaign for Housing and Community Development Funding (CHCDF), a group of 75 national advocates facilitated by NLIHC, sent a letter to House and Senate appropriators and leadership on March 8 urging them to include the Transportation, Housing and Urban Development, and Related Agencies bill that was informally negotiated by the House and Senate appropriators in the Senate amendment to H.R. 933. The CHCDF members wrote, "insisting on using FY12 spending levels in a 'full-year continuing resolution' is neither a reasonable nor a prudent approach…. To reduce losses of rental assistance, to better preserve public and other affordable housing, and to mitigate homelessness and other hardships that sequestration will bring, we urge the Senate to include a carefully thought-out full HUD funding title in the appropriations legislation it will consider next week."

On March 12, Senate THUD Chair Barbara Mikulski (D-MD) and Ranking Member Richard Shelby (R-AL) offered a substitute amendment to the House CR, which would replace the House bill's language in its entirety. The Senate substitute amendment would fund nearly all HUD programs at FY12 levels but would also include a THUD title with several anomalies that would increase funding for programs above FY12 levels. An "anomaly," in the context of a CR, is a special provision included to address a particular program need.

The Senate substitute CR would provide $132 million in additional funding for Homeless Assistance Grants, bringing FY13 funding to $2.033 billion, an amount higher than the House-passed figure of $2.005 billion and less than the Senate committee-passed amount of $2.146 billion.

The Senate's substitute CR would also increase funding for the Public Housing Operating Fund above the FY12 level by $300 million, to $4.262 billion. This increase still leaves a significant hole in the operating account. In FY12 HUD relied on public housing agencies to contribute approximately $750 million in reserve funding to supplement an intentionally low appropriation. For FY13, HUD requested that funds be restored to the operating fund. Even with the anomaly, the Senate draft CR would underfund the Public Housing Operating Fund by over $450 million.

The Senate amendment also includes a provision for the Tenant-Based Rental Assistance account, increasing administrative fees by $25 million. The provision would allow funds set aside for unforeseen circumstances in the voucher program to be used for public housing agencies that "would otherwise be required to terminate participating families from the program due to insufficient funds." There is no funding provided for the increasing cost of maintaining current vouchers in FY13.

The Senate CR would also reinstate the language from previous appropriations bills that allows the rescission of the Housing Certificate Fund to be directed to the Project-Based Rental Assistance account. The rescission could produce $50 million or more for the project-based program. Even with this contribution, the program could face an FY13 shortfall in excess of $800 million. The draft CR restates that sequestration cuts would take place based upon the funding levels in the legislation.

On March 12, the Obama Administration issued a Statement of Administration Policy (SAP) in favor of the Senate Amendment to H.R. 933. In the SAP the Administration says, "The substitute amendment improves upon H.R. 933 by strengthening funding for transportation infrastructure, manufacturing, research and development, early childhood programs, and housing programs."

After the Senate debated the appropriations package for four days, Majority Leader Harry Reid (D-NV) adjourned the Senate and announced that votes on floor amendments would resume on March 18. The current CR expires on March 27.

With FY13 appropriations drawing to a close, the House and Senate Committees on the Budget both marked up their FY14 budget resolutions. The House Budget Committee released its FY14 "Path to Prosperity" plan and budget resolution on March 12. The House Committee's budget resolution would "wind down Fannie Mae and Freddie Mac," and recommends using fair-value scoring for federal housing credit programs. Fair-value scoring, according to the Center for American Progress, is a budget technique that is not only a misnomer but also makes cost estimates less accurate by biasing apparent costs upward. Specifically, the committee cites as a reason for its proposed reforms the fact that HUD's Federal Housing Administration (FHA) Mutual Mortgage Insurance (MMI) Fund did not meet a mandatory capital reserve ratio. Receipts from the MMI fund have been used by Congress in recent THUD appropriations bills to offset HUD appropriations.

During the committee's markup of the House budget resolution, Representative Barbara Lee (D-CA) offered an amendment to decrease the Defense Department's overseas contingency operations by $330 billion over ten years and reallocate these funds to programs aimed at helping homeless and veterans. The amendment failed by a party-line vote of 16 to 22.

The Senate Committee on the Budget also marked up its concurrent budget resolution, starting debate on March 13 and passing the bill along party lines on March 14. In her opening statement, Chair Patty Murray (D-WA) said, "An approach that maintains that government can't solve every problem, that it shouldn't solve every problem, but that it can and must work to create jobs, support the middle class, and offer a hand up to families that need some support while they work to get back on their feet." The Senate concurrent budget resolution would reinstate the ability of Congress to fund the National Housing Trust Fund through a deficit-neutral allocation of funds from elsewhere within the resolution. A similar provision was provided in the concurrent budget resolution for FY11. The Senate resolution would replace sequestration but still cut non-defense discretionary spending by around $150 billion, far less than would the House budget resolution.

Both the House and Senate are trying to meet the statutory deadline of April 15 to pass a concurrent budget resolution. The Senate Committee on Banking, Housing and Urban Affairs also focused on FY14 spending priorities, and Committee Chair Tim Johnson (D-SD) sent a letter on the Committee's Budget Views and Estimates to the Senate Budget Committee Chair and Ranking Member on March 1. "While we continue to see improvement in the national economy, our families… continue to struggle to overcome the effects of the economic recession…" wrote Chair Johnson. The Senator cites NLIHC's *Out of Reach*, saying the nation's Housing Wage is "far above the minimum wage or income available to persons with disabilities who rely upon Supplemental Security Income." The Chair requested that the Budget Committee include "$1 billion in mandatory funding for the Housing Trust Fund" to address these housing needs. "The Housing Trust Fund is particularly important at this time to meet American's sever housing needs while creating construction and real estate management jobs," wrote Senator Johnson.

The Chair also urges that the Budget Committee "provide sufficient funding to maintain current levels of housing and community development assistance" for both HUD and USDA rural housing programs. He points out that the cost of maintaining this assistance will "exceed the amounts provided in the FY 2014 baseline." In the letter, the Chair stresses the importance of rental assistance, public housing, homeless assistance, housing for special populations, rural housing, and HOME amongst other HUD and USDA programs.

On March 13, the Congressional Progressive Caucus (CPC) issued its budget, the "Back to Work Budget." The CPC budget prioritizes creating jobs, equity in the tax structure, lowering defense spending, and protecting health care entitlements.

The House took Congress's first steps in FY14 appropriations work when the House Committee on Appropriations announced its mid-April deadlines for Members to submit funding recommendations for FY14 spending for each of its 12 subcommittees. The deadline for Members to submit funding recommendations for the Agriculture, Rural Development, Food and Drug Administration, and Related agencies bill is April 10 and the deadline for the THUD bill is April 15. The President's budget request to Congress is expected on April 8, just days before these deadlines. In years when the Administration's budget request is sent by the statutory deadline in February, Members have had more time to develop their requests in relation to the President's request.

View the Senate Amendment at http://1.usa.gov/12WNpSv.

View the CHCDF letter at http://nlihc.org/sites/default/files/CHCDF_FY13_Ltr_3-8-13.pdf.

View the SAP at http://1.usa.gov/12WNwgT.

View the House budget resolution and summary at http://budget.house.gov/.

View the Senate budget resolution at http://1.usa.gov/12WNvJZ.

View the Banking Committee letter at http://nlihc.org/sites/default/files/FY14_Banking_Comm_Ltr-3-1-13.PDF.

View the CPC budget at http://1.usa.gov/12WNBRP.

View the testimony of the House THUD appropriations hearing at http://1.usa.gov/12WNCVF.

House Appropriators Look at HUD Management

The House Appropriations Subcommittee on Transportation, Housing and Urban Development and Related Agencies (THUD) held a hearing on March 14 on HUD and Department of Transportation (DOT) management and oversight issues. Subcommittee Chair Tom Latham (R-IA) opened the hearing by welcoming the new Ranking Member, Representative Ed Pastor (D-AZ). Mr. Pastor said in his opening statement that he is looking forward to learning how progress can be made to address issues at HUD and DOT, "especially under the challenges of sequestration."

HUD Inspector General (IG) David Montoya testified that one concern of his office is that HUD does not have a modern financial system, despite having invested a significant amount of funding in IT upgrades. Mr. Montoya also said that HUD currently has inadequate internal controls and that this would affect its goal of providing affordable housing. He hopes that the necessary changes to internal controls would be addressed with new regulations. Mr. Montoya also said that HUD faces significant challenges in monitoring disaster recovery funds.

Mr. Montoya said his office is concerned about HUD's Moving to Work (MTW) demonstration and interest in expanding the demonstration. He said that reporting on the MTW program is not quantifiable or performance-oriented and HUD is thus unable to evaluate the program. He believes a demonstration program should be evaluated and he disagreed with HUD that the program should be expanded prior to evaluation. Mathew Scire of the Government Accountability Office (GAO) said that his office agrees with some of the IG's concerns regarding the MTW demonstration.

Mr. Scire also echoed concerns shared by Mr. Montoya regarding the Federal Housing Administration's (FHA's) Mutual Mortgage Insurance (MMI) fund. Both witnesses expressed concerns that the fund has not met its capital reserve ratio of 2% in any of the last four years. Mr. Scire said that HUD has announced steps to change the fund and that HUD adopted GAO's suggestions. He said there is still more that HUD can do to improve FHA, and more that Congress can do to set expectations for FHA. This issue has been a recurring theme in both House and Senate hearings.

Mr. Scire discussed his concern that Tenant-Based Rental Assistance program costs are increasing year to year. He discussed some of the options the GAO explored that could reduce program costs, including implementing a mandatory minimum rent of $75 for tenants and reducing frequency of inspections or evaluations. He said that some of the practices GAO examined are from MTW agencies, but that GAO is concerned about HUD's MTW monitoring.

Read the GAO's March 14 report, *Department of Housing and Urban Development: Opportunities to Improve Management of Mortgage Insurance and Rental Assistance Programs*, GAO-13-439T, at http://1.usa.gov/12X4R9i.

Read all witness testimony and Chair Latham's opening statement at http://1.usa.gov/12WNCVF.

MORE CONGRESS

Senate to Hold Hearing on Bipartisan Solutions for Housing Finance Reform

The Senate Committee on Banking, Housing and Urban Affairs will hold a March 19 hearing on bipartisan solutions for housing finance reform. The hearing's witnesses will be former HUD Secretary and Senator Mel Martinez (R-FL), Co-Chair of the Bipartisan Policy Center's Housing Commission; and Janneke Ratcliffe of the Center for American Progress.

The Housing Commission released Housing America's Future: New Directions for National Policy on February 25 (see *Memo*, 3/1). "Meeting our nation's diverse housing needs requires a strong and stable housing finance system," the commission's report says. The commission concludes that, given the size of the U.S. mortgage market, where outstanding mortgage debt nearly equals the total value of assets on banks' books, the secondary market for mortgage-backed securities must continue to play a critical role in providing mortgage liquidity."

The commission recommends replacing Fannie Mae and Freddie Mac with an independent, wholly government corporation, the "Public Guarantor," that would provide a limited catastrophic government guarantee for both the single-family and rental markets. The Public Guarantor would differ from today's Fannie Mae and Freddie Mac in that it would not buy or sell mortgages or issue mortgage-backed securities; it would simply provide last-resort guarantee for those investing in those securities. The government would thus be in a fourth-loss position behind borrowers and their home equity, private credit enhancers, and the corporate resources of the mortgage-backed security issuers and servicers.

Referring specifically to rental housing, the commission's report is clear that federal support from Fannie Mae, Freddie Mac and the Federal Housing Administration (FHA) are essential to the nation's recovery process and the housing market's long-term stability. The report also notes the important and profitable role Fannie Mae and Freddie Mac's multifamily business had during the financial crisis, as well as the importance of the Federal Home Loan Banks' reliable source of liquidity for housing and community development lending during this time.

The commission recommends gradually transitioning the multifamily operations of Fannie Mae and Freddie Mac to a new system similar to the one recommended for single-family finance with a catastrophic guarantee. The commission also recommends retaining a streamlined version of the FHA's multifamily insurance operations to allow for greater private sector involvement to "enable FHA to focus on areas and products where private investment is not readily available." Finally, the commission recommends greater attention to the financing needs of one- to four-unit and five- to 49-unit rentals.

The committee hearing will be at 10am in room 538 of the Dirksen Senate office building.

House and Senate Bills Would Weaken American Community Survey

Legislation was introduced in both the House and Senate on March 12 to make participation in the American Community Survey (ACS) voluntary. Census research shows that a voluntary ACS would be more expensive, less accurate and would significantly reduce the number of communities that would receive reliable annual estimates from the survey.

The ACS is an annual, nationwide survey of approximately three million households. It provides timely data on the social, economic, demographic and housing characteristics of the U.S. population. The ACS replaced the Census "long form" in 2010 and eliminated the long waiting period for new data between each decennial census. What distinguishes the ACS from other surveys is that it provides these data for even the smallest geographic areas. Data from the ACS help determine how more than $400 billion in federal and state funds are spent annually.

In 2012, the House passed an amendment sponsored by Representative Ted Poe (R-TX) to make responding to the ACS voluntary, by prohibiting both the Census Bureau and the Justice Department from using funds to enforce penalties in the Census Act that make survey response mandatory (see *Memo*, 5/11/2012).

"The federal government has no right to force Americans to tell the government personal information that they are uncomfortable providing just because the federal government says so," Mr. Poe said in a press release on the bill. "I have heard from countless Texans who are uncomfortable with the American Community Survey's intrusive questions, but they feel intimidated and forced to participate because of the threat of a criminal penalty. Penalizing private citizens for not filling out a government-mandated survey is an abuse of government power."

H.R. 1078 and S. 530 were introduced by Mr. Poe and Senator Rand Paul (R-KY), respectively. The House bill was referred to the Committee on Oversight and Government Reform. The Senate bill was referred to the Committee on Homeland Security and Governmental Affairs.

Read Mr. Poe's press release at http://1.usa.gov/Z3M5oj.

House FHA Bill Intends to Strengthen Agency

Top Democrats on the House Committee on Financial Services reintroduced a bill designed to "strengthen FHA and to help ensure its long-term solvency." House Committee on Financial Services Ranking Member Maxine Waters (D-CA) and Housing and Insurance Subcommittee Ranking Member Michael Capuano (D-MA) introduced H.R. 1145 on March 13.

Identical legislation, H.R. 4264, passed the House during the last session of Congress by a vote of 402 to 7. That bill was introduced by Representative Judy Biggert (R-IL), then Ranking Member of the Housing Subcommittee.

In a press release upon the bill's introduction, Ranking Member Waters said, "Working with the Administration, we plan on drafting additional legislation to give FHA more tools to bolster its insurance fund. But this is an important first step, and should be considered immediately, given that it was supported by such an overwhelming, bipartisan majority in the last Congress. It is time to move beyond discussion of this issue and take action." The committee has had three hearings on FHA issues so far this year, including one on March 13 on private sector and government-subsidized approaches to mortgage insurance (see *Memo*, 2/8 and 2/15).

The bill would allow HUD to require indemnification from a mortgagee if the department determines that the mortgagee knew or should have known of a serious violation of HUD's mortgage underwriting standards for FHA loans. The bill would also require a semiannual independent actuarial report on the FHA to Congress, instead of the current annual report provided. The bill would allow HUD to terminate the ability of a mortgagee to originate or underwrite FHA mortgages if HUD finds an excessive rate of early defaults or claims. Under the bill, the HUD Secretary would also have to submit to Congress, within 30 days of the bill's enactment, an emergency capital plan for the restoration of the FHA's fiscal solvency.

The bill was referred to the House Committee on Financial Services.

Read Ranking Member Waters' press release at http://1.usa.gov/Z3Moj1.

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FHFA Hearing Scheduled

The House Committee on Financial Services will hold a hearing, "Sustainable Housing Finance: An Update from the Federal Housing Finance Agency on the GSE Conservatorships," on March 19.

The hearing will be held at 10 am in room 2128 of the Rayburn House office building. Edward J. DeMarco, acting director, Federal Housing Finance Agency, will be the sole witness.

DISASTER HOUSING

House Panel Holds Hearing on Sandy Oversight

The House Appropriations Subcommittee on Transportation, Housing and Urban Development and Related Agencies held a hearing, "Sandy Disaster Relief and Recovery," on March 15. The hearing's witnesses were John Porcari, Deputy Secretary, U.S. Department of Transportation; Fred Tombar, Senior Advisor for Disaster Programs, HUD; and Marion McFadden, Chief Operating Officer and Leader Counsel for the Hurricane Sandy Rebuilding Taskforce, HUD.

Many of the questions were related to the $16 billion in disaster Community Development Block Grant (d-CDBG) dollars provided by the Disaster Relief Appropriations Act of 2013 (see *Memo*, 2/1). HUD has thus far allocated $5.4 billion of the d-CDBG dollars appropriated, which can be used for Sandy-related unmet needs, as well as unmet needs from other disasters in calendar years 2011 and 2012. Mr. Tombar said in his testimony that this allocation "represents the fastest ever allocation following the signing of an appropriations bill." He also said that the next round of allocations should be announced in two to three weeks.

Subcommittee Chair Tom Latham (R-IA) asked several questions about the level of d-CDBG appropriations allocated in the Super Storm Sandy supplemental appropriations bill and said the level of funding provided awards of "$4 to $5 for every $1 in damage."

Full House Committee on Appropriations Ranking Member Nita Lowey (D-NY) joined the hearing, as her district was heavily impacted by Super Storm Sandy. Ms. Lowey asked several questions on how the d-CDBG allocation formula and county prioritization were determined. Ms. Lowey said that both Rockland and Westchester Counties fall in her congressional district, and based on her assessment, both counties have experienced equivalent levels of damage. However, while Rockland County is classified as "most impacted," Westchester County is not.

Mr. Tombar said that HUD's assessment of unmet needs is determined based on FEMA's assessment and requests received by the agency for assistance, as well as the Small Business Administration's (SBA's) assessment and estimate of damage. Mr. Tombar further said that HUD looks at what level of assistance will be provided by SBA and FEMA, and aims to fill the gap. Mr. Tombar added that the first allocation of funds only took into account housing and business losses, not those related to infrastructure, as infrastructure damage takes FEMA longer to assess.

Ms. Lowey also asked why ongoing, unmet needs from Hurricanes Irene and Lee were not included in the formula, even though the supplemental funds can be used to address them. Mr. Tombar responded that it is his expectation that the needs from the earlier disasters will be addressed "first and foremost" because they are already in the pipeline, and that funds to address Sandy-related needs will be spent a little later.

Representative Charlie Dent (R-PA) asked Mr. Tombar what the difference is between the d-CDBG allocation in the Super Storm Sandy supplemental bill, and existing CDBG and HOME appropriations. Mr. Tombar responded that shortly after Sandy, HUD made available waivers for existing HOME and CDBG allocations to be used for disaster recovery efforts. Mr. Tombar said, however, that HUD did not receive any waiver applications, and that he expects the appropriation of d-CDBG dollars will be sufficient to address unmet needs.

Representative Dave Joyce (R-OH) asked if there are any data to show that buildings in Sandy-impacted areas have been abandoned. Mr. Tombar responded that some have been abandoned for safety reasons. Mr. Joyce then asked if these abandoned buildings will be demolished and if so, whether the demolition would be funded by HUD. Mr. Tombar responded that demolition is funded by FEMA, but added that in projects where there is a gap between the amount of funding provided and the level of unmet needs, HUD could fill the funding gap.

Representative Mike Quigley (D-IL) asked when one could expect the recovery to be completed. Mr. Tombar declined to give a timeline and said that recovery efforts are difficult, and are often slow and incremental.

All witness testimony will be available at http://1.usa.gov/12X2Cmv.

FROM THE FIELD

Virginia Advocates Secure Resources for State Trust Fund, Homelessness in State Budget

The Virginia General Assembly wrapped up its legislative session in February with exciting news for housing advocates as the House and Senate reached a compromise on critical funding for affordable housing and homeless prevention efforts. The House budget initially allocated $2.55 million for Virginia's state housing trust fund, while the Senate budget allocated $1.5 million for permanent supportive housing and rapid re-housing, but no resources for the housing trust fund. The compromise provides $1 million for the housing trust fund and the same amount for re-housing and permanent supportive housing programs.

The commitment marks the second consecutive year the Assembly has included funding in the state budget to address affordable housing concerns. In 2012, the Virginia Housing Coalition and the Virginia Coalition to End Homelessness, both NLIHC state coalition partners, achieved a twofold victory when the housing trust fund was established and received an initial $7 million for the FY13-14 biennium. This allocation was made possible by the $65 million Virginia received from the 2012 National Mortgage Servicer Settlement. The initial funds are not scheduled for distribution until July 2013, and the trust fund now stands at $8 million. At least 80% of the funds must be used to reduce the cost of rental housing and homeownership for households earning 60% or less of the area median income; up to 20% can be prioritized for those who are homeless.

The addition of $2 million for housing over the biennium was made possible by the $120 million multistate settlement between Lender Processing Services, Inc., a Jacksonville, Florida-based company, and the attorneys general of 44 states and the District of Columbia. Virginia received approximately $3.5 million from the agreement, which addressed allegations that the company "robo-signed" foreclosure documents. Virginia advocates strongly favored dedicating the funds to housing, and were pleased that 60% of the funds were secured for this purpose. This was a significant victory as only 11% of the funds from the mortgage servicer settlement over all were allocated for housing.

Advocates also celebrated passage of HB2005, which writes the housing trust fund into state code. Sponsored by Delegate Alfonso Lopez (D), the bill passed the House and Senate unanimously and describes the fund's uses and operations.

"The Virginia Housing Coalition and its partners have been campaigning for the creation of a housing trust fund in Virginia for a decade," VHC Board Chair Orlando Artze said. "In the 2012 session, the General Assembly appropriated funds for the first time; in the 2013 session, we finally saw the trust fund written into state law. We're celebrating, but we're not stopping."

As legal settlements provide the majority of housing funds for 2012 and 2013, advocates plan to seek opportunities to build more sustainable sources of funding so that the state is not dependent on one-time payments to address the housing crisis.

For more information, contact Anna Strahs Watts at anna@hdadvisors.net.

EVENTS

Home Visiting Webinar Scheduled

DESC, a Seattle-based provider of supportive housing and clinical services for chronically homeless men and women, and Pathways to Housing, a national organization providing immediate, independent housing for people who are homeless and suffering from psychiatric disorders, will hold a webinar, "Home Visits: The Art and Science of Making House Calls," on March 27. The webinar will be held at 2 pm ET.

Scheduled presenters are Sam Tsemberis and Juliana Walker of Pathways to Housing, and Graydon Andrus and Margaret King of DESC. Presenters will discuss many aspects of visiting Housing First residents in their homes, "including how to establish frequency and length of visits, usefulness, interacting with participants who don't want visits, observing and following up on unit conditions, participant and staff safety issues and many other common challenges that occur during home visits."

This webinar is intended broad range of audiences, including direct service providers, program managers, policy staff, and executive directors.

Readers can register for the webinar at http://bit.ly/Z3OqQh, and should contact Juliana Walker with any questions at julianawalker@pathwaystohousing.org. The webinar costs $35.

RESOURCES

NLIHC Releases *Out of Reach 2013*

The National Low Income Housing Coalition released *Out of Reach 2013* on March 11. The report shows that rents continue to rise across the country as wages remain stagnant. This year, a household needs to earn at least $39,080 to afford a two-bedroom unit at the Fair Market Rent (FMR) of $977. This translates into an hourly Housing Wage of $18.79. The Housing Wage is an estimate of the full-time hourly wage that someone must earn to afford a decent apartment while spending no more than 30% of income on housing costs.

Unfortunately, renters continue to earn far less than the Housing Wage. According to *Out of Reach 2013,* renters are earning just $14.32 an hour, on average, nationwide. This means that the two-bedroom Housing Wage exceeds the wage of renters by almost $4.50. The wage a renter must earn to afford a one-bedroom unit ($15.06) also exceeds the national renter wage this year.

Extremely low income (ELI) households and minimum wage workers have the hardest time finding rents that are affordable to them. ELI households, with incomes of 30% of the area median income (AMI) or less, compose one out of every four renter households in our country. ELI renter households can afford to spend no more than

$495 on rent, on average, nationwide. This falls significantly short of both the national two-bedroom FMR ($977) and one-bedroom FMR ($783).

Minimum wage households, earning just $7.25 an hour in many parts of the country, can only afford $377 a month in rent. At minimum wage, a worker must work 104 hours a week to afford the FMR on a two-bedroom unit, and he or she would need to work 83 hours per week to afford the FMR on a one-bedroom unit. There are just four counties in the United States where a minimum wage earner can afford the one-bedroom FMR. These counties are in Washington and Oregon, where the minimum wage is higher than the federal minimum wage at $9.19 and $8.95, respectively.

In addition to these national numbers, NLIHC calculates the same statistics for every county, metropolitan area, combined nonmetropolitan area and state in the country. There were twelve states this year with a Housing Wage over $20 (up from nine in 2012): Hawaii, District of Columbia, California, New York, New Jersey, Maryland, Massachusetts, Connecticut, Alaska, Virginia, Delaware and New Hampshire.

The report was released in a press conference that featured NLIHC President and CEO Sheila Crowley, NLIHC Research Director Megan Bolton and the Executive Director of the United States Interagency Council on Homelessness, Barbara Poppe.

Ms. Poppe, who also wrote the preface to this year's report, emphasized the need for high-quality research, like *Out of Reach*, to define the affordable housing problem and point us toward solutions. She talked about how difficult it is for low-wage workers to find affordable rental housing in their communities and how increased access to stable and affordable housing is key to preventing and ending homelessness.

Both Ms. Poppe and Ms. Crowley discussed how the National Housing Trust Fund, if funded, could assist those households most at risk of becoming homeless.

Out of Reach 2013 can be found at http://nlihc.org/oor/2013.

To view the press release on the report, see http://nlihc.org/press/releases/2380.

NLCHP Releases Report on VAWA Housing Protections

The National Law Center on Homelessness and Poverty released a report on federal housing protections for domestic violence survivors, *There's No Place Like Home*, on March 4.

In its report, the Law Center analyzes state laws on housing protections for survivors of abuse. The authors note that domestic violence is a leading cause of homelessness and that "in some areas of the country 1 in 4 homeless adults reported that domestic violence was a cause of their homelessness."

The newly reauthorized Violence Against Women Act (VAWA) strengthened housing protections for survivors of domestic violence, dating violence, sexual assault, and stalking, by expanding the federal housing programs covered by VAWA, and made several other changes to improve the housing provisions of the law (see *Memo*, 3/1). There are no VAWA housing protections for survivors who live in private housing.

The authors note trends in the types of laws that have been enacted to address the housing needs of survivors. According to the authors, 80% of states have enacted laws to allow courts to exclude the perpetrator of domestic or sexual violence from a shared residence, irrespective of whose name is on the least. Seventy-six percent of states have laws that protect the confidentiality of a survivor's housing records. On the other end of the spectrum, only 4% of states have laws to provide survivors with the right to leave work to seek safe housing.

The Law Center makes a number of policy recommendations in the report. Among the recommendations, the Law Center suggests that advocates work to enact state laws that:

- Proscribe specific activities that constitute discrimination against survivors in the housing context such as denying a survivor from renewing their lease, increasing rent, and retaliating against the tenant based on her status as a survivor of domestic violence.
- Prohibit lease agreements from including provisions that allow the tenant to waive her right to call for emergency assistance.
- Provide to tenants various methods of certifying that they are survivors of domestic or sexual violence for purposes of early lease termination such as through attestation from a third party.
- Require landlords the authority, at the request of the survivor, to terminate the lease of the perpetrator of domestic or sexual violence while allowing the survivor and other non-perpetrator tenants to remain on the lease.
- Permit a landlord to recover for unpaid rent and other damages against a perpetrator for damages arising out of domestic or sexual violence.
- Create a private cause of action based on the applicable state law against landlords who violate the particular housing protections afforded to survivors of domestic or sexual violence, and permit the survivor to recover damages against the landlord for such violations.
- Grant survivors the authority to install new locks on their residence if the landlord fails to do so within 24 hours after the tenant's request.

- Create an address confidentiality program where the state attorney general or other administrator will provide the survivor with a designated address to protect the privacy of the survivor's actual address, and provide exemptions from supplying personal identifying information for public records requirements.
- Mandate that public housing agencies compile and report on terminations of domestic or sexual violence survivors.
- Require employers to provide employees with the ability to take leave from work, due to domestic or sexual violence, in order to relocate or improve the security of their residence.

The Law Center will host a webinar on the report on April 4 at 2 pm ET. Readers can register for the webinar at http://bit.ly/Z3LN0D.

The full report is available at http://bit.ly/Z3LOlc.

NLIHC Releases Updated Congressional District Housing Profiles and State Housing Profiles

NLIHC has updated both its Congressional District Housing Profiles and State Housing Profiles to reflect the most recent data available. In addition, the new Congressional District Profiles reflect the recent redistricting and the results of the 2012 elections. The updated profiles echo previous years' work to communicate an in-depth look at housing affordability and housing needs, by income group.

The Congressional District Housing Profiles provide statistics on the number and percent of renter households spending more than half of their income on housing costs as well as the shortage or surplus of affordable rental units by income. These statistics are provided at the congressional district level as well as for the entire state. *Out of Reach 2013* data for metropolitan areas and counties partially or wholly within the congressional district borders are also included to provide a picture of housing costs and an overview of housing affordability.

The State Housing Profiles provide state-level charts of housing cost burden and the number of units affordable and available to low income renters. The profiles each contain a map illustrating the number of housing units affordable and available to extremely low income (ELI) households in each county in the state. Key facts from recent NLIHC research publications are also included, such as the absolute shortage of affordable and available rental units, the number of ELI renters and the income needed to afford a two-bedroom rental unit in the state.

The new Congressional District Housing Profiles and State Housing Profiles can be accessed through NLIHC's Resource Library at http://nlihc.org/library/housingprofiles.

NATIONAL LOW INCOME HOUSING COALITION

MEMO TO MEMBERS

March 15, 2013
Volume 18, Issue No. 12

FACT OF THE WEEK

Ten States with Largest Gap Between Housing Wage and Average Renter Wage

	Housing Wage	**Average Renter Wage**	**Difference**
Hawaii	$32.14	$13.56	$18.58
Maryland	$24.47	$15.06	$9.42
New Jersey	$24.84	$16.26	$8.59
California	$25.78	$17.99	$7.79
Connecticut	$23.22	$15.71	$7.51
New Hampshire	$20.47	$13.14	$7.33
Vermont	$18.53	$11.32	$7.21
Massachusetts	$24.05	$17.17	$6.88
Maine	$16.31	$9.85	$6.46
Rhode Island	$18.18	$11.73	$6.45

Source: Bravve, E., Bolton, M. and Crowley, S. (2013). *Out of Reach 2013*. Washington, D.C.: National Low Income Housing Coalition. http://nlihc.org/OOR/2013

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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!

Become a fan of NLIHC on Facebook!

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