NATIONAL LOW INCOME HOUSING COALITION

Memo to Members

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In This Issue:

EVENTS

- Poverty Data Training Webinar Scheduled for September 9
- Tackling the Social Drivers of HIV is Theme for Three-Day Summit

NLIHC NEWS

- September is NLIHC Membership Month

NATIONAL HOUSING TRUST FUND

HUD Encourages States to Seek Stakeholder Input on NHTF in 2015

HUD has modified the NHTF FAQ and the introductory text on its NHTF webpage with two changes that encourage states to inform stakeholders about the National Housing Trust Fund (NHTF) and to obtain their ideas for shaping the state's NHTF ahead of the formal, required public participation process. Earlier versions implied that states could wait to do NHTF planning until 2016.

These improvements are a positive response to concerns NLIHC raised with HUD after the initial set of FAQs were posted on June 19. The language of two of the initial FAQs discouraged states from educating the public about the NHTF and from seeking preliminary input regarding priorities to consider when a state establishes the criteria it will use to consider when awarding NHTF dollars to specific projects (see *Memo*, 6/29). NLIHC is urging advocates to get started on NHTF planning now to help ensure successful implementation in 2016.

The updated FAQ on page 5 adds a second paragraph that reads:

"HUD encourages States and SDEs to engage with their stakeholders (e.g. community organizations, general public, housing partners, etc.) through informal meetings or planning sessions that make information available, inform design of their HTF program, and otherwise contribute to a meaningful citizen participation process."

HUD's NHTF webpage adds under the heading, "Program Schedule," the following:

"During 2015, States will begin developing their HTF Allocation Plans and solicit input from their constituents and submit these plans to HUD along with their 2016 Annual Acton Plans. HUD anticipates that grantees will receive their HTF allocations by summer 2016. HUD is developing guidance and training to assist grantees and program partners in designing and implementing their programs."

HUD's NHTF webpage is at https://www.hudexchange.info/programs/htf

The modified FAQ is on page 5 of the set of FAQs at
https://www.hudexchange.info/resources/documents/HTF-FAQs.pdf

NLIHC's NHTF webpage is at http://nlihc.org/issues/nhtf

FEDERAL BUDGET

New Report Shows House Appropriations Bills Exceed Spending Caps

In a report dated August 20, the Office of Management and Budget (OMB) predicts that funding provided by House FY16 appropriations bills would exceed the sequester spending caps imposed by the 2011 Budget Control Act for nondefense discretionary (NDD) programs by $1.8 million, while the Senate appropriations bills would not exceed the sequester-level spending caps. This means that if Congress were to enact appropriations bills at the House bills' levels, Congress would be compelled to identify another $1.8 billion in cuts within the 12 spending bills.

However, it is highly unlikely any of the House's FY16 bills will be enacted into law as is. It is equally unlikely that any FY16 appropriations bills will be enacted before the start of FY16 on October 1.

When House and Senate members return to the Capitol on September 8, they are expected to focus on the details of a short-term Continuing Resolution (CR). The CR would keep federal government programs funded at FY15 levels for the duration of the CR, which could be anywhere from four weeks to three months.

President Barack Obama has pledged to veto any appropriations bill that is based on the existing sequester caps. A CR will allow more time for Congress to work out a new budget plan that lifts the sequester caps.

NLIHC and numerous other housing and community development organizations are urging Congress to lift the sequester spending caps so housing and community development programs can be adequately funded in FY16. A broad array of nondefense discretionary organizations, through NonDefense Discretionary United, is circulating a sign-on letter to Congress urging the caps be raised. NLIHC encourages organizations to join it in signing this letter. The deadline to sign the letter has been extended to September 1.

The OMB report is at https://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/sequestration/sequestration_update_august2015.pdf

Sign onto the NDD letter at http://nlihc.org/article/take-action-sign-letter-urging-congress-replace-unfair-sequestration-balanced-approach

MORE CONGRESS

Sign Letter Urging Senators to Oppose House of Representatives' Assault on Fair Housing

NLIHC urges organizations to unite with more than 200 organizations that have already signed a letter calling on Senators to reject the House of Representatives' harmful anti-fair housing amendments in any final FY16 spending legislation. The National Fair Housing Alliance is circulating the letter. The deadline for sign-ons has been extended to Friday, September 4.

In June, the House approved FY16 spending bills for the Department of Justice and HUD containing several amendments that would prohibit the federal government from using its fair housing rules to advance the Fair Housing Act's mission of supporting diverse, inclusive communities where everyone has access to the resources they need to succeed (see *Memo,* 6/15). The bills also would all but eliminate private local fair housing enforcement (see *Memo,* 6/8).

Click here to read the letter and to sign your organization onto it: http://bit.ly/1JGVE4l

Click here for a fact sheet about the anti-fair housing amendments adopted by the House of Representatives: http://bit.ly/1LFtZo9

Support is especially needed from organizations in the following states:

Alaska
Arkansas
Delaware
Hawaii
Idaho
Iowa
Kansas
Kentucky
Maine
Nevada
New Hampshire
New Mexico
North Dakota
Rhode Island
South Carolina
South Dakota
Utah
West Virginia
Wyoming

Oppose Amendment Stripping CDBG Funding from "Sanctuary Cities"

NLIHC has written and is circulating a sign-on letter urging Members of the Senate Committee on the Judiciary to reject the Vitter-Grassley substitute amendment to the "Stop Sanctuary Cities Act" (S. 1814) that would strip CDBG funding from communities that have immigrant "sanctuary" laws and policies in place. The amendment is expected to be offered during a mark-up in that Committee scheduled for September 10.

The substitute amendment defines a "sanctuary city" as a state or unit of general local government that either:

- Has a law, policy, or practice that prohibits or restricts sending to or receiving information from the Department of Homeland Security (DHS) on any individual's citizenship or immigration status, lawful, or unlawful; or

- Fails to comply with a detainer or a DHS notification request about the release of a person from custody who is not a U.S. citizen or is not a U.S. national.

The letter states that "while the purported goal of the Vitter-Grassley amendment is to make America's communities more secure, the amendment does anything but. Instead, this amendment will undermine local efforts to improve the safety and quality of life of residents by depriving communities of CDGB funding needed to undertake initiatives to stabilize neighborhoods and provide decent affordable housing for low income households. Our government should not play politics with communities' ability to serve their residents by holding essential CDBG funding hostage."

National, state, and local groups, as well as municipalities, are encouraged to join the letter. The deadline for signing on is September 8 at noon ET.

Read and sign onto the letter at http://nlihc.org/issues/participation/cdbg-letter

More about the Judiciary Committee hearing is at http://www.judiciary.senate.gov/meetings/executive-business-meeting-09-10-15

HUD

Final Rule Amending Voucher Portability Published

On August 20, HUD published the long-awaited final rule amending the Housing Choice Voucher (HCV) portability regulations. The purpose of the amendments is to clarify existing requirements, streamline the portability process for public housing agencies (PHAs), and make it easier for families with vouchers to relocate to areas that may offer greater opportunities. Portability allows a family with a voucher to use it to rent a home anywhere in the country where there is a PHA operating a HCV program. A voucher holder who is moving from one jurisdiction to another is considered to be "porting in."

Proposed changes to the voucher portability regulations were published on March 28, 2012 (see *Memo*, 4/6/12). NLIHC signed on to a comment letter submitted by the Housing Justice Network supporting all of the proposed changes (see *Memo*, 6/1/12), many of which are in the final rule.

The PHA in the jurisdiction from which a family moves is called the "initial PHA" while the PHA in the jurisdiction to which a family is moving is called the "receiving PHA." The final rule clarifies existing language by stating that a receiving PHA cannot refuse to assist families wishing to "port in," and cannot direct them to another neighboring PHA. However, HUD may determine that in certain situations a receiving PHA is not required to accept a family wishing to port in, for instance a PHA in a disaster area.

If there is more than one neighboring PHA, the final rule requires the initial PHA to provide the family with contact information for all receiving PHAs in the area and allow the family to choose the jurisdiction to which it would like to move. The old rule left the decision up to the initial PHA.

Some of the rule changes would affect all families with vouchers who wish to move, not just those wishing to move to another city. For example, the final rule allows a PHA to deny a move if the PHA does not have sufficient funding for continued assistance. However, the PHA must provide written notice to the local HUD office within ten business days of determining it is necessary to deny a move to a higher-cost unit because of insufficient funding. The preamble to the final rule explains that this provision already exists as part of Notice PIH 2012-42 (see *Memo*, 10/5/12) and is intended to ensure that families are not unnecessarily prohibited from moving either under portability or within the PHA's own jurisdiction. The preamble adds that if HUD determines that the PHA has sufficient funds and should allow moves, the PHA must immediately inform the family and process its request to move.

Another example of a change affecting all families with vouchers who wish to move, not just those wishing to move to another jurisdiction, pertains to the time a family has to search for another home. The existing regulations allowed (and the final revised rule continues to allow) any family receiving a voucher up to 60 days to locate a place to rent. This is called the "initial term." Once a family has chosen a home to rent, it must submit a request to a PHA for it to complete a Housing Quality Standards (HQS) inspection and approve that home. The old regulations gave PHAs discretion to either extend the initial term or to stop the clock on the term while a family waits for a PHA to approve the family's request for a home it has selected. The final rule requires PHAs to stop the clock, to "suspend" the voucher term, for all vouchers until a PHA notifies the family in writing whether it approves or denies the home, giving households more time to locate a home.

In cases of voucher portability, the final rule requires the voucher term of the receiving PHA to last at least 30 days after the initial PHA voucher term expires. If the receiving PHA has a policy allowing extensions of vouchers terms, that policy applies. The intention is to accommodate the additional time the portability process entails. For example, under the old regulations the time a family waits to attend the required briefing about the receiving PHA's voucher policies counted against the family's initial voucher expiration date, reducing the time to locate a home.

Advocates strongly urged that the final rule prohibit PHAs from rescreening families. Existing regulations require a family using portability to pass the screening criteria of the receiving PHA, which might be more stringent than the screening criteria of the initial PHA. HUD concludes in the preamble that PHAs should continue to be allowed to use their own screening standards consistently for families already housed as well as for those moving in under portability. However, the final rule adds that when families request portability and are briefed about how portability works, they should be told by the initial PHA that they could be subject to screening by the receiving PHA based on its criteria, which could be very different from that of the initial PHA.

Regarding the required briefing, the final rule also requires the initial PHA to inform residents wishing to port that the receiving PHA may have different subsidy and payment standards, as well as other features to consider. As requested by advocates, the final rule adds that PHAs should provide families with other resources that may assist the family in finding a unit to rent, such as references to organizations, online search tools, and newspapers, including those that cover areas outside of poverty or minority concentration. The final rule also requires the PHA to explain the benefits of living in a low-poverty area.

Also at the required briefing, the existing regulations require PHAs to provide all families with a list of landlords or others who may be willing to rent to the family or help the family find a home. Advocates expressed concern about such lists because many PHAs do not analyze them to ensure that they are not primarily comprised of rentals in areas of high-poverty concentration. In order to be useful, such lists must be required to contain a reasonable share of rental opportunities in areas with lower concentrations of poverty and diverse racial composition. The final rule retains the requirement that a list of landlords be provided, but adds that the list of landlords include those in areas that do not have concentrations of poverty or minority populations.

The final HCV portability rule is at http://www.gpo.gov/fdsys/pkg/FR-2015-08-20/pdf/2015-20551.pdf

The Housing Justice Network comment letter of May 29, 2012 is at http://nlihc.org/sites/default/files/HJN_HCV_Ltr_5-29-12.pdf

FHFA

FHFA Releases Final Rule on GSE Affordable Housing Goals

On August 19, the Federal Housing Finance Agency (FHFA) released its final rule establishing affordable housing goals for Fannie Mae and Freddie Mac for 2015 through 2017. The goals set benchmarks for affordable single-family and multifamily housing financed by Fannie Mae and Freddie Mac, the government sponsored enterprises (GSEs).

Compared to the proposed rule and the goals for 2014, the final rule increases the targets for multifamily housing affordable to both low and very low income families. The rule does not include any targets for multifamily housing units affordable to extremely low income families, those with income less than 30% of the area median income (AMI). Through 2017, Fannie Mae and Freddie Mac will each be expected to finance at least 300,000 rental units per year that are affordable to low income families, those with income less than 80% of AMI. These goals are higher than the 2014 benchmark levels (250,000 units for Fannie Mae and 200,000 units for Freddie Mac) and the proposed rule benchmark levels (250,000 units for Fannie Mae and 210,000 to 230,000 units for Freddie Mac). FHFA stated that this increase was "to account for the overall size of the multifamily finance market, which has expanded substantially since the proposed rule was issued."

In addition, FHFA boosted the subgoal for financing multifamily properties with units affordable to very low income families, those with income less than 50% of AMI. Each year, Fannie Mae and Freddie Mac are expected to finance 60,000 rental units, an increase for Freddie Mac, which had a benchmark in 2014 of 40,000 units. The subgoal for Fannie Mae was unchanged from its 2014 target.

The final rule also creates a new subgoal for the GSEs' purchases of mortgages on small multifamily properties, defined as buildings with between 5 and 50 rental units that are affordable to low income families. These subgoals are 6,000 units in 2015, 8,000 units in 2016, and 10,000 units in 2017.

At the bill's release, FHFA Director Mel Watt stated, "The multifamily goals will create rental opportunities for those who need affordable housing. Together, these goals establish a solid foundation for affordable and sustainable homeownership and rental opportunities in this country."

The Center for American Progress (CAP) issued a statement on the final rule saying, "[T]he multifamily goals should help push Fannie and Freddie to better support affordable rental housing at a time when rent burdens are at all-time highs. Broad availability and affordability of rental and homeownership options are crucial to increasing household opportunity, reducing economic inequality, and furthering racial justice. Going forward, FHFA should require Fannie and Freddie to implement policies, programs, and strategies to promote appropriate and sustainable housing options for the populations that need it most."

FHFA first issued a proposed rule on the GSEs' housing goals in August 2014 and sought public comments.

The final rule is at http://1.usa.gov/1EvFmPO

The FHFA press release is at http://1.usa.gov/1E5JTrH

The CAP statement is at http://ampr.gs/1JrROwA

FROM THE FIELD

Maine Legislature Takes Key Step Toward Expanding Affordable Senior Housing

Voters in Maine will have the opportunity in November to aprove a general obligation bond measure that will generate $15 million for the construction of affordable rental housing for Maine's seniors. The legislature authorized sending the question to voters when they passed Legislative Document 1205 (LD 1205) on June 30. Governor Paul LePage (R) indicated his intention to veto the bill, but his effort to conduct a pocket veto was ruled unlawful by the Maine Supreme Judicial Court in a unanimous advisory opinion issued on July 17.

The $15 million ballot measure request is a step down from the $65 million originally sought by advocates and supporters in the legislature, a reflection of an unusually acrimonious legislative session that saw only two general obligation bond proposals win final approval. The Maine Affordable Housing Coalition (MAHC), an NLIHC State Coalition Partner, led the network of advocacy groups in support of LD 1205, with the help of strong partners in the aging, construction, design, and economic development sectors.

MAHC commissioned Abt Associates in January to produce the report, *A Profile of Maine's Older Population and Housing Stock*. The report showed that nearly one-third of Maine's population is age 55 or older. This proportion of older residents is the highest of any state in the country. Of Maine's renter households age 55 or older, 52% are cost-burdened, meaning they pay more than 30% of their gross monthly income on rent and utilities, and 24% are severely cost-burdened, paying more than half of their income on housing costs. Compounding the issue of an aging population is Maine's very old housing stock. Nearly 40% of renter-occupied homes in Maine were built prior to 1950. Maine has an estimated shortage of 9,000 affordable rental homes for low income seniors, a number that is expected to climb to 15,000 by 2022.

If approved by the voters, the $15 million would be used for the construction of new, energy-efficient affordable homes for Maine's seniors. A portion of the bond's proceeds will be dedicated to home repair and weatherization, allowing seniors to safely and affordably remain in their own homes.

Prior to the November election, MAHC and its campaign partners will be coordinating efforts to inform voters about the importance of this ballot measure, primarily through earned media and strategic use of the large networks associated with the organizations and businesses that have come together in support of the senior housing bond. The hope is that this effort will provide momentum leading to the passage of similar, larger bond measures in future years.

While the $15 million for senior housing is far less than the amount needed, the current contentious culture of state government in Maine makes passage of any legislation a remarkable feat. For much of 2015, Governor LePage vetoed nearly everything the legislature passed, forcing lawmakers to make changes through the veto override process. LD 1205 became law on June 30. Governor LePage pledged to veto it despite the fact that the bill won the support of more than 80% of the Democrat-controlled House of Representatives and over 90% of the Republican-controlled Senate. The Supreme Judicial Court determined that Governor LePage failed to take the required action within ten days to effectuate a veto. Consequently, LD 1205 became law and the $15 million bond question will go the voters on November 3.

“ Using Maine workers to build the affordable homes that Maine seniors need is a smart and effective use of our state’s bond capacity,” said Greg Payne, Director of MAHC and NLIHC Board Member. “We are grateful for the strong support of our state legislature in passing this bond measure, and look forward to the outreach work this fall that we’re confident will result in its overwhelming approval by Maine’s voters.”

For more information contact Greg Payne, Director of MAHC, at gpayne@avestahousing.org.

A Profile of Maine’s Older Population and Housing Stock is at http://bit.ly/1Ept9fD.

RESEARCH

Housing Subsidies Affect Income Inequality

A study from the Urban Institute, *Housing Tax and Transfer Programs Decrease Inequality,* finds that direct housing subsidies for low income families reduce income inequality, while tax deductions for homeownership increase income inequality. A household in the top 10% of the income distribution has about 9.4 times as much income as a household in the bottom 10%. This income ratio between the highest and lowest earners declines to 8.6 when housing subsidies for low income families, such as public housing and vouchers, are considered part of a household’s income. Tax deductions for homeowners have the opposite effect on inequality. When mortgage interest deduction and real estate tax deductions are considered along with direct housing subsidies, the ratio is 8.8.

The study also reported the impact of housing subsidies and tax deductions for homeowners on the Gini coefficient, which is a commonly used measure of inequality that ranges in value from 0 to 1. Zero indicates that every household has the same income (perfect equality) and 1 indicates that one household as all of the income (maximum inequality). The estimated Gini coefficient in 2012 was 0.424, without taking housing subsidies or the tax deductions into account. It declined to 0.418 when housing subsidies were added to income. The Gini coefficient rose to 0.421 when the benefits of the mortgage interest and real estate tax deductions were then included. Overall, the researchers conclude that the positive impact of direct housing subsidies outweighs the negative impact of the mortgage interest and real estate tax deductions on income inequality, and suggest that additional investment in housing subsidies for the lowest income households can have a broad impact on reducing inequality.

The study uses data from the 2013 Current Population Survey (CPS), which the federal government uses for its official measures of income, poverty, and inequality. CPS income data is then adjusted by the Transfer Income Model (TRIM) which measures the value of near-cash benefits, such as food stamps, housing subsidies, and itemized deductions.

Housing Tax and Transfer Programs Decrease Inequality is at http://www.urban.org/research/publication/housing-tax-and-transfer-programs-decrease-inequality.

VOTERIZATION

National Voter Registration Day September 22

NLIHC is partnering with Nonprofit Vote to celebrate National Voter Registration Day (NVRD) on Tuesday, September 22. NVRD is a single day of coordinated action to help millions of Americans register to vote.

Nonprofits are in a unique position to register, educate, and mobilize historically marginalized people. NVRD offers the perfect opportunity to begin this process for upcoming primaries and elections in 2015 and 2016.

More than 1,200 nonprofit organizations across the country have already joined the effort. NLIHC encourages all organizations and agencies in our network, especially those with direct contact with low income people, to hold voter registration events for NVRD.

For more information about NVRD and to become a partner organization for NVRD go to www.NationalVoterRegistrationDay.org.

NLIHC's 2015 Voterization Guide is at http://nlihc.org/sites/default/files/Sec2.14_Voterization_2015.pdf

EVENTS

Poverty Data Training Webinar Scheduled for September 9

The Coalition on Human Needs has scheduled its annual Poverty Data Training Webinar ahead of the U.S. Census Bureau's release of poverty data. Jared Bernstein, former top economic adviser for Vice President Joseph Biden, current senior fellow at the Center on Budget and Policy Priorities, and nationally known economic expert, will discuss what he thinks the new data will likely show about poverty, income, and health insurance. The webinar will also tell you how you can quickly find and use national, state, and local data. The webinar is scheduled for Wednesday, September 9 at 2:00 pm ET.

The training is free and all webinar registrants will receive timely follow-up information before and after the Census Bureau releases poverty data on September 16 and 17. Register for the webinar at https://chn.peachnewmedia.com/store/seminar/seminar.php?seminar=46565#blank

Debbie Weinstein, Executive Director of the Coalition on Human Needs (CHN), will join Jared. Debbie has been analyzing Census data for decades, at CHN and previously at the Children's Defense Fund, specializing in helping advocates understand how to use the information quickly and accurately.

Ellen Teller, Director of Government Affairs at the Food Research & Action Center (FRAC) will moderate. Ellen is an attorney who has been an anti-hunger advocate for FRAC for nearly 30 years

For more information or to request reasonable accommodations please contact Joanna Sandager at 202-223-2532 x115 or email jsandager@chn.org by September 2, 2015.

Tackling the Social Drivers of HIV is Theme for Three-Day Summit

The eighth North American Housing and HIV/AIDS Research Summit will bring together researchers, policy makers, service providers, and people with HIV from all parts of North America for a summit to review recent research and policy initiatives, discuss evidence-based practice and policy, and develop community-driven research and advocacy strategies.

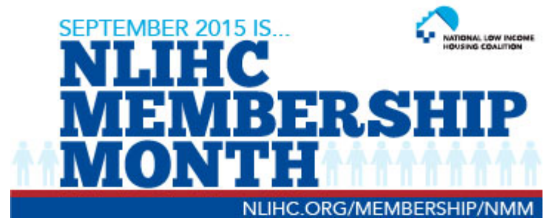
Poverty, housing status, food security, employment, incarceration, race/ethnicity, behavioral health issues, stigma, and intimate partner violence are social drivers. What impact do these drivers have on health disparities? What policies and programs can influence these drivers or mitigate their negative effects? The summit will tackle the social drivers of HIV.

The three-day event will be held in Washington DC on September 14-16 at the Omni Shoreham Hotel.

For more information and to register go to www.hivhousingsummit.org

NLIHC NEWS

September is NLIHC Membership Month



September marks Membership Month for NLIHC, which means it's time to thank current NLIHC members and celebrate your successes as advocates. It is also a time to recruit new NLIHC members from the vast field of novice and seasoned affordable housing practitioners and advocates, researchers, residents of public and assisted housing, and others concerned about affordable housing for extremely low income people. It's about increasing our collective power and having greater impact on ensuring that extremely low income households have safe, decent, and affordable homes.

There are a number of ways you can help:

- **Join NLIHC:** If you're not already an NLIHC member, please join today. If your membership has lapsed, please re-up today.
- **Recruit new members:** Please tell your family, friends, and colleagues about NLIHC and encourage them to join. Consider giving an NLIHC membership as a gift.
- **Show your solidarity via social media:** Change your Twitter and Facebook background to let everyone in your social media network know that you are an NLIHC member and that membership is important to you. Copy and save the graphic as your background for the month of September.
    - Click Here to Download an NLIHC Membership Month Cover Photo for Twitter (JPG file, 1263 pixels wide by 421 pixels high)
    - Click Here to Download an NLIHC Membership Month Cover Photo for Facebook JPG file, 851 pixels wide by 315 pixels high)
- **Tweet, Retweet, and Share:** Connect with NLIHC via Facebook and Twitter to make sure that you're receiving our tweets and posts throughout the month. We would greatly appreciate retweets and posts on social media platforms recommending NLIHC membership to your family, friends, and colleagues.

Additional information about how you can join NLIHC, recruit new members, and download the graphics for your Twitter or Facebook pages is at www.nlihc.org/membership/nmm. Should you need additional assistance, please contact NLIHC's Field team at outreach@nlihc.org.

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