NATIONAL LOW INCOME HOUSING COALITION

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FEDERAL BUDGET

Budget Talks Continue, Federal Deficit Smallest Since 2007

On October 2, two days after signing the Continuing Resolution (CR) keeping federal programs funded until December 11, President Barack Obama said he would not sign another "shortsighted spending bill." "We purchased ourselves 10 additional weeks and we need to use them effectively," President Obama said. Meanwhile, the Congressional Budget Office (CBO) estimates that the federal deficit in FY15 was the lowest it has been since 2007.

Talks to lift the sequester caps and maintain parity between nondefense and defense programs involve the White House, Senate Majority Leader Mitch McConnell (R-KY), Senate Minority Leader Harry Reid (D-NV), Speaker of the House John Boehner (R-OH), and House Minority Leader Nancy Pelosi (D-CA). Reports from the discussions indicate the possibility of a two-year deal for FY16 and FY17, akin to the "Murray-Ryan" deal that provided a reprieve from the sequester spending caps for FY14 and FY15.

The budget talks could be influenced by the Department of the Treasury's recent announcement that the extraordinary measures to lift the nation's debt limit will likely expire on November 5. The debt-limit deadline could compel action on a bipartisan budget agreement. Reaching a spending deal by this date could pave the way for FY16 appropriations bills to be enacted into law before the December 11 deadline. Appropriators have made clear that if they receive a new top line spending limit, they will need at least four weeks to finalize new appropriations bills.

At the U.S. Capitol rally on October 7, NDD United, a broad coalition of organizations representing non-defense discretionary (NDD) programs, hosted a rally to bring attention to the negative impacts of sequestration. The rally was attended by House Minority Whip Steny Hoyer (D-MD) and other members of Congress, who called for a bipartisan budget deal that would bring an end to the sequester cuts.

"Democrats in the House and Senate and Americans across the country are here to send a strong message that the sequester harms our economy and our national security. I am proud to stand with NDD United and with my colleagues from the House and Senate to demand – not to request – to demand that we get on a rational, workable policy," Representative Hoyer said.

Senator Charles Schumer (D-NY) also spoke at the rally, noting that the cuts required by the sequester spending caps for FY16 are "mindless spending cuts" that will only hurt the economy and increase unemployment,

"Now is the time to act. We've done a continuing resolution until December 11, but, frankly, we may have less time than that. By the end of this month, we ought to have a 302(a) allocation that is reasonable, rational, and will help America, not hurt America. We must keep up the pressure for Congress to act," said Mr. Hoyer.

The 302(a) allocation is the amount the House and Senate Appropriations Committees have to spend on all federal discretionary programs. If the sequester spending caps are raised, the Committees will have increased overall spending limits for FY16. With increased spending limits, discretionary programs, including HUD programs, will have better funding levels than are in the current THUD appropriations bills.

On October 8, the CBO estimated the federal government ran a budget deficit of $435 billion in FY15, the smallest deficit since 2007. "Relative to the size of the economy, that deficit - at an estimated 2.4% of gross domestic product - was slightly below the average experienced over the past 50 years," the CBO said. The sequester was first imposed by the Budget Control Act of 2011, which was intended to reduce the federal deficit.

The CBO's report is at: https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/50878-MBR.pdf

"Caps Hurt Communities" Webinar on Federal Budget and Sequestration

The Campaign for Housing and Community Development Funding (CHCDF) will conduct a free webinar, *Spending Caps, Budget Negotiations, and the Impact on Housing and Community Development in Your Community* on Monday, October 19 at 3pm ET.

The webinar will focus on the current budget negotiations and how sequestration or a year-long Continuing Resolution would impact affordable housing, homeless, and community development programs. The webinar will also highlight what advocates can do to engage in media communications and to influence elected officials to negotiate a positive budget outcome.

Speakers confirmed for the webinar include: Linda Couch, Senior Vice President for Policy, National Low Income Housing Coalition; Doug Rice, Senior Policy Analyst, Center on Budget and Policy Priorities; Robert Friant, Communications Manager, Corporation for Supportive Housing; and Sarah Mickelson, Senior Analyst, Project Manager, Enterprise Community Partners.

CHCDF is an ad hoc coalition of more than 70 national housing, homelessness, and community development organizations working together for the maximum possible funding for such programs. The work of CHCDF is coordinated by NLIHC. The webinar is part of CHCDF's "Caps Hurt Communities" campaign, www.capshurtcommunities.org.

Visit www.capshurtcommunities.org/#!take-action/c3us to register for the webinar.

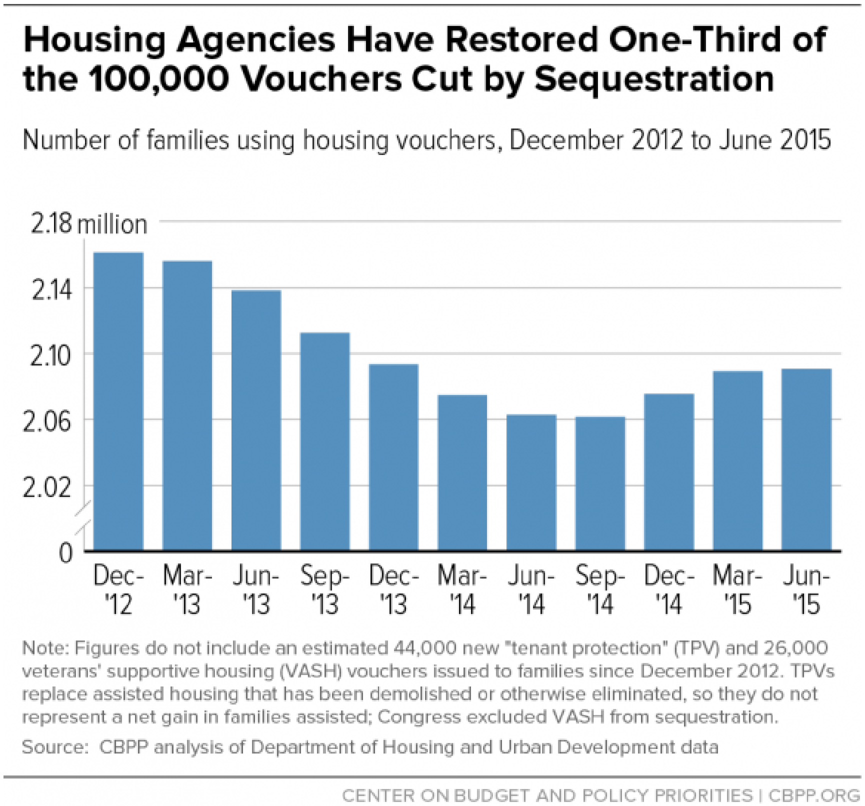
Housing Agencies Restore Some Vouchers Lost Due to Sequestration

A new analysis by the Center on Budget and Policy Priorities (CBPP) shows that with Congress providing additional funding for vouchers in the last two years, "state and local housing agencies are restoring many of the 100,000 housing voucher lost after 2013's sequester cuts." A CBPP analysis of HUD data finds that public housing agencies restored 30,000 vouchers to low income families over the past year, about one-third of the 100,000 vouchers lost in the 16 months after sequestration took effect in March 2013.

There is more work to be done, CBPP cautions. Only one in four households that qualify for federal rental assistance receives it, and housing costs are increasingly outpacing incomes, resulting in severely cost-burdened low-income renters. "Restoring the rest - which the President and Congress should prioritize in their fall negotiations over a final 2016 budget - will likely require relief from sequestration," CBPP's Doug Rice writes in an October 7 blog.

The HUD funding bills passed by the House and by the Senate Committee on Appropriations are mixed for the voucher program, Rice reports. The House bill would provide sufficient funding to renew vouchers in use at the end of 2015, but the Senate Committee's bill would not. The Senate Committee's bill would fund some new vouchers for homeless veterans and for some new "family unification" vouchers, but the House bill would not.

Read CBPP's blog, http://www.cbpp.org/blog/housing-agencies-restoring-vouchers-lets-finish-the-job-in-2016



Congress

Broad Housing Assistance Reform Bill Introduced

House Financial Services Subcommittee on Housing and Insurance Chair Blaine Luetkemeyer (R-MO) introduced broad housing assistance reform legislation on October 7. The bill, H.R. 3700, the "Housing Opportunity through Modernization Act of 2015," includes several provisions from the previously introduced, but never-passed "Section Eight Voucher Reform Act" (SEVRA) and "Affordable Housing and Self-Sufficiency Improvement Act" (AHSSIA). H.R. 3700 also brings together other recent housing bills and policy proposals that have been considered by the House or emerged in policy discussions.

Similar to provisions in the 2012 House Committee on Financial Service's version of AHSSIA, which was never voted out of the Committee, H.R. 3700 includes policy changes regarding:

- inspections,
- income recertification policies for all households,
- three-year income recertifications for fixed income households,
- calculation of initial income,
- medical, dependent, and child care deductions,
- increased payment standards for reasonable accommodations,
- project-based vouchers,
- Fair Market Rents, and
- flexibility between public housing operating and capital funds.

The policy change regarding recertifications for fixed-income households mirrors one included in Representatives Ed Perlmutter (D-CO) and Steve Stivers (R-OH) bill, H.R. 233, which was introduced as a stand-alone bill in January 2015. The bill would allow for three-year income recertifications for fixed income households. H.R. 233 passed the House on March 23 and was referred to the Senate, where it has yet to be considered.

Representative Luetkemeyer's bill also includes four single-issue policy bills that were not part of AHSSIA/SEVRA but were passed in the House with minimal opposition on July 14 (see *Memo*, 7/20). Three of these bills, the "Homes for Heroes Act of 2015" sponsored by Representative Al Green (D-TX), the "Housing Assistance Efficiency Act" sponsored by Representative Scott Peters (D-CA), and the "Preservation Enhancement and Savings Opportunity Act of 2015" sponsored by Representative Erik Paulsen (R-MN), have yet to be considered in the Senate. The policies sought by the fourth bill, the "Private Investment in Housing Act of 2015" sponsored by Representative Dennis Ross (R-FL), were requested by HUD in its FY16 budget and were included in the Senate Appropriations Committee's FY16 HUD funding bill.

H.R. 3700 includes new policy proposals to:

- limit tenancy by public housing residents with incomes above 120% of area median,
- allow public housing agencies to create replacement reserves (a policy change HUD requested in its FY16 budget),
- extend the Family Unification Program to younger youth,
- create policies for inspections of units owned by public housing agencies,
- make changes to utility reimbursements, and
- create a rural multifamily housing revitalization program.

The bill was referred to the House Committee on Financial Services. While the H.R. 3700 was introduced with Mr. Luetkemeyer as the sole sponsor, the bill could gain bipartisan support as it moves forward. NLIHC will provide further analysis in the next issue of *Memo to Members.*

To read the bill go to: http://nlihc.org/sites/default/files/HR-3700_Housing-Opportunity-Through-Modernization-Act.pdf

Hearing on 50 Years of HUD Rescheduled

The House Financial Services Committee has rescheduled its hearing, *The Future of Housing in America: 50 Years of HUD and its Impact on Federal Housing Policy*, for October 22 at 10 am ET in room 2128 of the Rayburn House Office Building. The Committee has not confirmed who will be invited to testify.

To learn more about the hearing, visit:
http://financialservices.house.gov/calendar/eventsingle.aspx?EventID=399732

Lead Democrat Asks GAO to Look into MTW, RAD

House Committee on Financial Services Ranking Member Maxine Waters (D-CA) has asked the Government Accountability Office (GAO) to look into HUD's Moving to Work (MTW) and Rental Assistance Demonstration (RAD) programs. The Senate's HUD FY16 appropriations bill would expand the MTW program from its current 39 public housing agencies (PHAs) to an additional 300 PHAs. For RAD, HUD has requested Congress remove the 185,000 unit cap on the number of public housing units that can convert their public housing subsidy streams to the project-based voucher or project-based rental assistance platform.

In an October 7 letter, Representative Waters asked GAO to assess HUD's Moving to Work program with a focus on the program's effect on tenants. Specifically, she asks GAO to assess how HUD and MTW agencies are monitoring the impact of policies like time limits, work requirements, and increased rent burdens on tenants. With the flexibilities provided by the MTW program, the 39 MTW PHAs are allowed to implement such policies.

Ms. Waters also asks GAO to assess MTW agencies' hardship policies, how well agencies are meeting the MTW goal of improving housing choice for families, and how MTW agencies are using the funds they have shifted away from the voucher program, noting that MTW agencies shifted $590 million away from the voucher program in 2014. She also asks GAO to assess whether MTW agencies perform better than non-MTW agencies in terms of cost effectiveness, and whether MTW agencies are meeting the requirement to serve substantially the same number of low income families, as required by statute, and what HUD is doing to address any noncompliance.

In her second letter to GAO, Ms. Waters asks for a review of how housing agencies have proposed to maintain public ownership in the properties that have been converted under RAD, what would happen to properties converted under RAD and their residents if Section 8 Housing Assistance Payment contracts are terminated, what have been the physical and financial impacts on the properties converted under RAD, and whether the rights of tenants have been protected under the RAD program as required by statute. She also asks GAO to assess how well RAD-converted units that are also recapitalized with Low Income Housing Tax Credits are continuing to serve very and extremely low income tenants.

Read Ranking Member Waters' letter to GAO on MTW at:
http://democrats.financialservices.house.gov/uploadedfiles/10.07.2015_rm_waters_letter_to_gao_on_mtw.pdf

Read Ranking Member Waters' letter to GAO on RAD at:
http://democrats.financialservices.house.gov/uploadedfiles/10.07.2015_rm_waters_letter_to_gao_on_rad.pdf

FORECLOSURE

Survey on Renters in Foreclosed Properties Underway

The National Law Center on Homelessness and Poverty (Law Center) is collecting information on potential rights violations faced by renters living in foreclosed properties. If you work with clients facing eviction or other issues due to their tenancy in foreclosed properties, the Law Center would like to hear from you.

The Protecting Tenants at Foreclosure Act (PTFA), provided renters facing eviction due to a foreclosure, a right to remain in their homes for 90 days or through the term of their lease, whichever was greater. In December 2014, PTFA expired and left tenants living in foreclosed properties with very few legal options. NLIHC is working with the Law Center and the National Housing Law Project to restore PTFA and make it permanent.

Access the survey at: http://www.nlchp.org/renters_rights_survey.

HOUSING AND THE ELECTIONS

Ask Democratic Presidential Candidates about Affordable Housing

Do you have questions about affordable housing and homelessness for the 2016 Democratic presidential candidates? The first Democratic presidential debate offers an opportunity to ask them. The debate is being hosted by CNN and Facebook in Las Vegas, NV, on October 13th at 9 pm ET (8pm CT, 6pm PT).

NLIHC encourages you to use CNN's social media platforms to pose your questions, or post them directly on Facebook, Twitter, and Instagram using the hashtag #DemDebate. Also use the hashtag #endhousingpoverty and #affordablehousing when posting your questions. Your participation can help bring the issues of affordable housing and homelessness into the presidential electoral conversation.

For additional details, visit:
CNN: www.cnn.com/specials/politics/dem-debate-questions
Facebook: www.facebook.com/cnn
Twitter: twitter.com/CNNPolitics
Instagram: instagram.com/cnn/?hl=en

FROM THE FIELD

San Franciscans to Vote on Housing Measures in November

On November 3, San Francisco residents will vote on two housing referendums. Proposition A would provide $310 million dollars in funding. Proposition K would increase the sale of public land for the development of affordable housing. Mayor Edwin Lee (D) heralds the ballot initiatives as important for creating affordable housing in the city.

The San Francisco Board of Supervisors unanimously supports both measures. The referendums are also supported by a broad coalition of San Francisco organizations including the Chamber of Commerce, the Building Trades and Labor Councils, and the Council of Community Housing Organizations. The Non Profit Housing Association of Northern California (NPH), an NLIHC state coalition partner, is campaigning actively for the passage of Propositions A and K. NPH is hosting volunteer phone banks, fundraising, and educating voters about the importance of affordable housing.

Proposition A provides for a $310 million maximum general obligation housing bond to build and preserve affordable housing. In November 2014, voters overwhelming passed a separate, nonbinding policy planning proposition to build 30,000 new homes by 2020, with at least one-third of the new homes to be priced as affordable to low and moderate income households. Proposition A is expected to benefit 1,500 households and will be followed by further bonding initiatives. Proposition A would:

- Construct, develop, and rehabilitate affordable rental housing near established transit corridors or within priority development areas,
- Acquire, rehabilitate, and preserve existing rental housing as affordable housing in order to prevent the loss of rental housing stock and the displacement of long-time residents,
- Repair and reconstruct dilapidated public housing developments or provide infrastructure improvements that allow for the repair or improvement of public housing sites,
- Create a middle income rental housing program,
- Create a middle income home ownership program to assist residents acquiring their first homes,
- Renew the Teacher Next Door Program to assist educators in purchasing their first homes, and
- Acquire, preserve, and develop affordable housing in the Mission Area Plan.

Proposition A does not specifically state which income levels will be targeted with the new revenue, but San Francisco's Housing Bond Report has established guidelines. Nearly half of the bond revenue, $150 million, would be allocated for the creation of new, permanently affordable homes for low and moderate income households. These income definitions are expected to follow HUD standards: "low income" means households at or below 80% of area median income (AMI) and "moderate income" means households at or below 120% of AMI. An additional $80 million will be used for public housing revitalization. The final $80 million will be used to expand housing options for middle income households, meaning affordable at 150% of AMI and below.

Prior to Proposition A, San Francisco’s most recent municipal housing bond (for $200 million) was proposed to voters in 2014, but failed to reach the two-thirds supermajority necessary to pass, in part because it required an increase in property tax rates. Proposition A, however, will not raise property taxes to pay for the debt. While the primary funding for debt service on the new housing bond will come from the property taxes, it is estimated that the expected growth in the city’s tax base will cover the $310 million bond issue without an increase in tax rates. An earlier proposed bond of $500 million might have necessitated an increase in tax rates, leading to $310 million as the compromise amount.

The ballot measure is expected to face little opposition in November, and it has strong support throughout the San Francisco advocacy community. Still, advocates worry that low voter turnout in an off-year election could influence the results, especially given the two-thirds supermajority required to pass all bonding initiatives. The San Francisco Apartment Association opposes Proposition A, but it is not yet clear how active it will be in trying to defeat the measure at the polls.

Proposition K would authorize the development of new housing projects on surplus public land in order to expand the pool of housing affordable to low and middle income households. If approved, Proposition K will widen the target income levels for housing developments on surplus public property to include households ranging from the homeless or those with very low incomes to those with incomes up to 150% of the area’s median income.

At no additional cost to the city, this proposition would address one of the largest obstacles to building affordable housing in San Francisco, which is the high cost of land. According to Kate Hartley, Deputy Director of the Mayor’s Office of Housing and Community Development, it costs approximately $250,000 to build one unit of new housing in the city. By selling public land far below the average cost of comparable property, the cost of housing construction will be reduced and the creation of affordable housing would be more financially feasible.

San Francisco housing policy defines affordable housing as housing that is affordable to households earning up to 60% of the area median income. If the ballot measure is adopted, 33% of the total housing units built on surplus public land must be affordable, with 15% of the units in housing developments on surplus lands affordable for those earning 55% or less of the area’s median income and another 18% of the units affordable to those earning 120% or less of the area median income.

Proposition K is expected to pass. Because there is no bond component, this ballot initiative needs only a simple majority vote.

"These are critical measures needed now to address our affordability crisis and ramp up production of affordable homes in San Francisco,” said Michael Lane, Policy Director at NPH. “With a two-thirds vote requirement, we can't take passage of Proposition A for granted and are working hard to inform voters."

For more information about campaign efforts to pass Propositions A and K, contact Michael Lane, Policy Director at NPH, at michael@nonprofithousing.org

RESEARCH

Federal Housing Subsidies and other Assistance Programs Reduce Poverty

The U.S. Census Bureau released the 2014 Supplemental Poverty Measure (SPM) in September. The SPM indicates that federal housing subsidies lower poverty by 0.9 percentage points and lifts approximately 2.8 million people out of poverty.

The SPM was developed to address shortcomings of the official poverty measure, which excludes non-cash government benefits from income. The SPM takes into account benefits like housing subsidies, the Supplemental Nutrition Assistance Program (SNAP), and the Earned Income Tax Credit (EITC) when calculating income. The SPM also deducts certain necessary expenses from income, such as taxes, out-of-pocket medical costs, work-related expenses, and child care.

The SPM shows that housing subsidies such as public housing and vouchers reduce poverty by 1.2 percentage points for children under 18 and seniors 65 years and older, and by 0.7 percentage points for adults 18 to 64 years of age. The following table provides poverty rates by age, using the SPM, and the poverty rate if a specific benefit is eliminated:

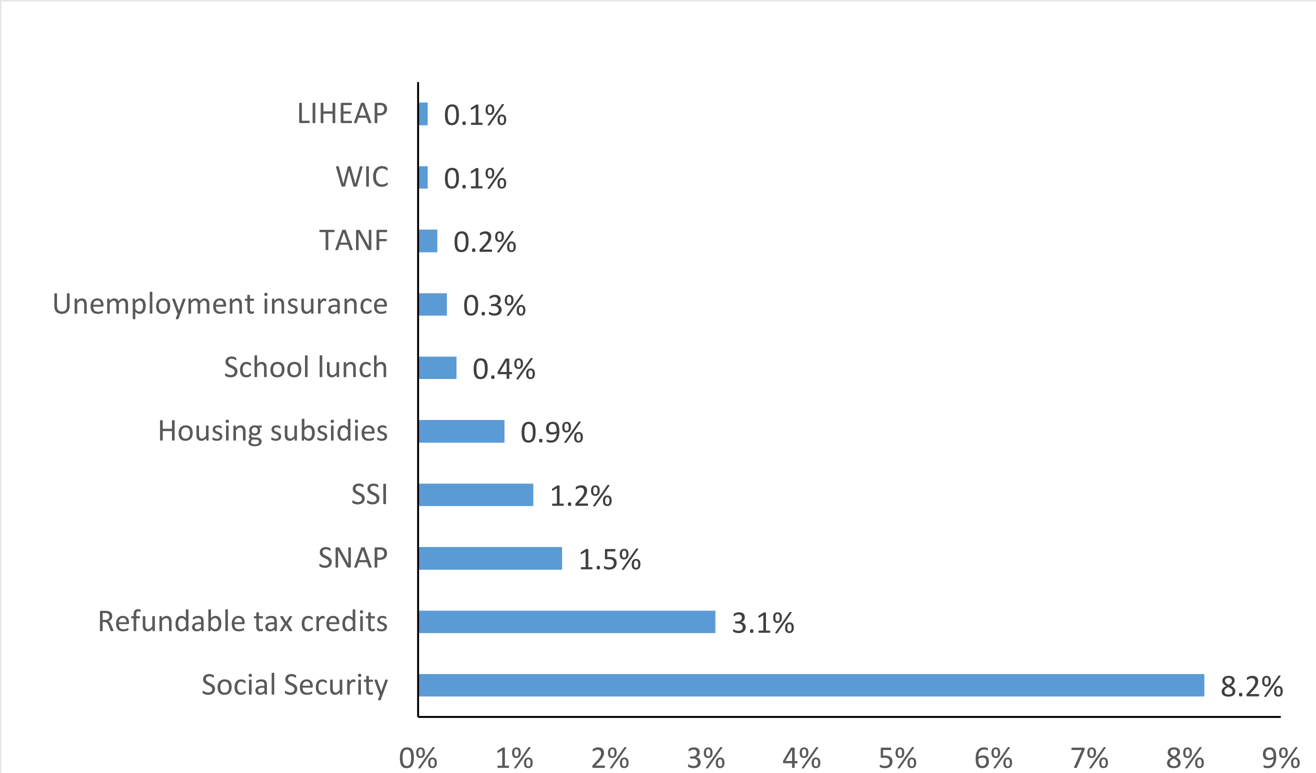
	Under 18 Years of Age	18 to 64 Years of Age	65+ Years of Age
SPM Poverty Rate	16.7%	15.0%	14.4%
SPM Poverty Rate without:			
Social Security	18.9%	19.1%	50.0%
Refundable tax credits	23.8%	17.2%	14.6%
SNAP	19.5%	16.2%	15.1%
Unemployment insurance	17.1%	15.3%	14.5%
SSI	17.6%	16.3%	15.8%
Housing subsidies	17.9%	15.7%	15.6%
School lunch	17.8%	15.3%	14.4%
TANF	17.2%	15.2%	14.5%
WIC	17.0%	15.1%	14.4%
LIHEAP	16.8%	15.0%	14.5%

Source: Short, Kathleen (2015). *The Supplemental Poverty Measure: 2014.* United States Census, U.S. Department of Commerce.

The Supplemental Poverty Measure: 2014 is available at http://1.usa.gov/1MbOyKR.

FACT OF THE WEEK

Increases in Supplemental Poverty Rates When Specific Assistance is Removed



Source: Short, Kathleen (2015). *The Supplemental Poverty Measure: 2014.* United States Census, U.S. Department of Commerce.

EVENTS

NeighborWorks Training Institute in Washington, DC December 7-11

Another reminder that the Washington DC NeighborWorks Training Institute will take place December 7-11, 2015, featuring a broad array of professional development courses. Choose from over 100 one-to-five day courses on affordable housing, community development, resident engagement and nonprofit management. The featured Wednesday symposium is on Leading Tomorrow's High-Performing Nonprofit Organization (ML908). Pre-event registration ends November 16. Visit www.neighborworks.org/dc2015 to register.

NLIHC News

Registration Now Open for NLIHC's 2016 Policy Forum

Registration is open for NLIHC's 2016 Policy Forum, which will take place in Washington D.C. on April 3-5, 2016. The theme of the 2016 Forum is *Overcoming Housing Poverty, Achieving Housing Justice.*

Confirmed speakers for the Forum so far include:

- Kathryn Edin, co-author of *$2.00 a Day: Living on Almost Nothing in America*,
- Marybeth Shinn, lead researcher on the *Family Options Study: Short-Term Impacts of Housing and Service Interventions for Homeless Families,* and
- Emily Badger, Washington Post reporter in affordable housing and urban policy.

Please take advantage of early bird rates to reserve your place at the Forum. This is NLIHC's annual policy event that brings together housing and homeless advocates and policy analysts from across the nation to discuss the challenges of ending housing poverty and homelessness.

For more information, go to http://nlihc.org/events/forum

Registration for the Forum is available at: http://nlihc.org/events/forum/registration

Membership Month Brings in 150 New NLIHC Members

NLIHC is pleased to report that 150 new members joined the coalition during our second annual Membership Month in September. To new members, welcome! To current members who encouraged others to join, thank you! Special thanks go to Marla Newman, Chair of NLIHC's Membership Committee and Executive Director of the Louisiana Housing Alliance, and to NLIHC state coalition partners the Utah Housing Coalition, the Maine Affordable Housing Coalition, and the Housing and Community Development Network of New Jersey for carrying out joint membership campaigns.

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