Memo To Members & Partners
A weekly newsletter from the National Low Income Housing Coalition

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## HAPPY HOLIDAYS!

The staff of the National Low Income Housing Coalition is grateful for all our members who work to ensure the lowest income people in America have decent, accessible, and affordable homes and whose support is vital to our work. We wish you a peaceful and joyous holiday season.

*Memo to Members & Partners* will take a short break for the holidays. *Memo* will return on January 8, 2018.

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# United for Homes

## Congress Votes Tomorrow on Final Tax Bill

The House and Senate are expected to vote Tuesday on a final tax reform bill, after conference committee Republicans resolved the differences between the House- and Senate-passed versions on December 15.

The final tax bill fails to expand housing resources for people with the lowest incomes, while it provides massive unpaid-for tax cuts for wealthy individuals and corporations and increases the national debt by at least $1 trillion over a decade. This significant increase to the national debt may trigger automatic funding cuts to the national Housing Trust Fund and will likely put future investments in affordable housing at HUD and USDA – a well as other federal resources that help struggling families meet their basic needs – at risk of deep spending cuts. To help pay for the costly bill, Speaker of the House Paul Ryan (R-WI) and other Republican leaders are already advocating for partisan legislation in 2018 to reduce Medicare, Medicaid, and other critical safety net programs.

Overall, the tax bill misses a once-in-a-lifetime opportunity to expand housing investments to address homelessness and housing poverty through the tax code. The bill lowers the amount of a mortgage eligible for the mortgage interest deduction (MID) from $1 million to $750,000 for newly purchased homes, but instead of reinvesting the savings into affordable rental housing where the need is so great, it uses these housing dollars to provide deeper tax cuts for some of the wealthiest individuals in the country. Although the final bill retains the tax exemption for private activity bonds (PABs) and preserves the 9% and 4% Low Income Housing Tax Credit (Housing Credit), it does not include any of the bipartisan reforms that would improve the Housing Credit and help it better reach extremely low income households or people experiencing homelessness. Moreover, the bill fails to adjust the Housing Credit to address its likely reduced ability to generate equity investments due to the lowering of the corporate tax rate from 35% to 21%.

In response to the bill, NLIHC President and CEO Diane Yentel stated, "While the preservation of Low Income Housing Tax Credits and Private Activity Bonds avoids an immediate devastating impact on affordable housing, this bill will exacerbate our country's already yawning income inequality and will harm efforts to end homelessness and housing poverty. An estimated 64% of the bill's benefits go to the top 1% of earners, at a cost to the country of over $1 trillion. At a time when we should be increasing investments in solutions to the housing crisis impacting low income people across the country, the increased deficits created by these tax cuts puts the national Housing Trust Fund and other vital housing and community development programs at risk of deep spending cuts down the line."

### Mortgage Interest Deduction

The final tax bill redirects housing dollars generated from modest reforms to the MID to provide even deeper tax cuts for billionaires and corporations. The bill lowers the amount of a mortgage eligible for the tax break from $1 million to $750,000 for newly purchased homes. This represents a compromise between the House and Senate versions: the House bill proposed capping the MID benefit to the first $500,000 of a mortgage for new homes and eliminated the deduction for second homes, while the Senate bill proposed no changes to the MID. Instead of reinvesting the savings from the lowered MID cap into affordable rental homes for people with the greatest needs through solutions like the national Housing Trust Fund or a renters' tax credit, the bill funnels these and other savings to provide even more regressive tax cuts to the top 1% of earners.

### Housing Tax Credits

The final tax bill preserves the 9% Housing Credit and maintains the tax exemption for PABs, which are used to finance the construction and rehabilitation of multifamily housing for low income renters under the 4% Housing Credit. The bill does not, however, include any of the bipartisan, much-needed improvements to the program to incentivize developing rental homes affordable to the lowest income families, as proposed by Senators Maria Cantwell (D-WA) and Orin Hatch (R-UT) and Representatives Pat Tiberi (R-OH) and Richard Neal (D-MA). Moreover, the final tax bill does not make any adjustments to the program to offset the impact of the lowered corporate tax rate from 35% to 21%, which will reduce the value of Housing Credits to corporate investors. Some experts estimate that the lowered corporate tax rate will significantly reduce investor demand for the Housing Credit and could result in 20,000 fewer homes built under the program each year.

The final tax bill is an improvement on the House-passed version, which would have eliminated PABs. The 4% credit contributes to upwards of 60% of the affordable homes built or preserved in America each year. By eliminating the 4% Housing Credit, the House tax bill would have resulted in the loss of 80,000 affordable homes annually.

**National Housing Trust Fund**

According to the Congressional Budget Office, the final tax bill's significant deficits may trigger cuts called for under the "Pay-As-You-Go Act of 2010." This Act was designed to limit increases to the national debt by forcing automatic cuts to critical programs, including the national Housing Trust Fund (HTF), which helps build and preserve rental homes affordable to people with the lowest incomes, including those experiencing homelessness. The HTF is a lifeline to the lowest income people who are otherwise forced to choose between paying their rent and buying groceries, visiting their doctor, paying for medications, or saving for a rainy day.

**Future Spending Cuts**

Like both the House and Senate versions, the final tax bill will increase the national debt by at least $1 trillion over a decade – likely leading to deep spending cuts to critical investments, including those for affordable housing and community development.

The final bill is written to adhere to a congressional budget resolution that called for $5.8 trillion in budget cuts over the next decade, including $800 billion in cuts to discretionary domestic programs. Unfunded tax cuts will only add pressure on Congress to enact these budget cuts at the expense of the millions of low income families who rely on federal investments to help them meet their basic needs.

Republican leaders are already signaling their interest in passing legislation in 2018 to reduce funding for mandatory programs, including Medicare, Medicaid, and other safety net programs. President Trump is expected to issue an executive order directing federal agencies to make other harmful changes to programs that serve people with the lowest incomes.

Read NLIHC President and CEO Diane Yentel's statement on the final bill at:
http://nlihc.org/press/releases/8633

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## NLIHC News

### NLIHC 2018 Housing Policy Forum to Explore Building the National Affordable Housing Movement

NLIHC's 2018 Housing Policy Forum taking place in Washington, DC, March 19-21, 2018, will focus on building the affordable housing movement in 2018 and beyond. In the summer of 2017, advocates in sixty communities around the country participated in the "Our Homes, Our Voices" National Housing Week of Action with press events, letter-writing and call-ins to elected officials, teach-ins, rallies, Twitterstorms, and more. In the fall, thousands of tenants and activists in dozens of cities around the country participated in marches, rallies and other actions during a "Renters Week of Action," protesting proposed cuts to affordable housing funding. The movement is growing and expanding, and NLIHC's 2018 Housing Policy Forum will engage advocates, residents, affordable housing providers, and others on taking the movement to the next level. Register for the Forum today!


The Forum will provide sessions and workshops on the threats and opportunities for affordable housing in 2018 and beyond; the state of fair housing on the 50th anniversary of the Fair Housing Act; a new national campaign to expand the affordable housing movement with non-traditional allies in health, education, faith, civil rights, and other sectors; the keys to state, local, and resident-led organizing; making housing an issue with the media; and effective story-telling for affordable housing. The Forum will also delve into the current U.S. political and legislative environment in the run-up to the 2018 elections; mobilizing nonpartisan voter and candidate engagement; using dynamic research to change the story and influence policy solutions; ensuring housing protections for LGBTQ individuals; housing the formerly incarcerated; and others. There will also be opportunities to engage with leaders and staff in Congress and at HUD on affordable housing challenges, solutions and priorities.

A limited number of shared-lodging hotel scholarships to attend the 2018 Housing Policy Forum will be awarded on a first-come-first-served basis to low income residents who are NLIHC members and who pay to attend the Forum. Scholarships will be awarded to ensure a broad geographic distribution. A special session for low income residents will be held on the morning of March 19. For more information about the scholarships, visit http://nlihcforum.org or contact James Saucedo at: jsaucedo@nlihc.org or 202-662-1530 x233.

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## Deadline Approaching for Nominations for NLIHC 2018 Organizing Awards

Make a nomination before **5:00 pm E.T. on Friday, January 12, 2018** for the NLIHC 2018 Annual Organizing Awards. These awards recognize outstanding achievement during 2017 in statewide, regional, citywide, neighborhood, and/or resident organizing that furthers NLIHC's mission of achieving socially just public policy to ensure people with the lowest incomes in the U.S. have affordable and decent homes. The NLIHC Organizing Awards will be presented at the NLIHC 2018 Housing Policy Forum, March 19-21, 2018 at the Washington Court Hotel in Washington, D.C. Special consideration will be given to nominations that incorporate tenant- or resident-centered organizing. Make a nomination today!

An Organizing Awards Committee composed of NLIHC board members and previous award winners will determine this year's honorees. One award will recognize statewide or regional achievements, and one award will recognize citywide or neighborhood achievements. NLIHC will provide two representatives of each honored organization a complimentary Forum registration, 2-3 nights of hotel accommodation, and transportation to Washington, D.C. to accept their award.

To be eligible, nominated organizations must be current NLIHC members. Organizations may self-nominate. NLIHC board members and Award Committee members may not nominate an organization with which they are employed or affiliated.

Nominations should contain the following information:

- Name and contact information of the organization being nominated;
- Name and contact information of the individual or organization submitting the nomination (if different from above);
- Scope of the achievement being nominated (i.e., statewide, regional, citywide, neighborhood, and/or resident organizing);
- Description of the organization's achievement in the area of state, local and/or resident organizing in 2017, and how that achievement has contributed to furthering NLIHC's mission (800-word maximum); and
- Supporting materials that describe the activity or impact, such as press clips or campaign materials (optional).

Please submit your nomination online using the form at http://www.nlihcforum.org/awards or send your nomination by email to jsaucedo@nlihc.org.

## Disaster Housing Recovery

### Disaster Supplemental May Receive a Vote This Week

Congressional leaders are expected to unveil the next supplemental disaster relief funding bill this week for communities affected by hurricanes and wildfires in Texas, Florida, Puerto Rico, the U.S. Virgin Islands, and California. The disaster relief legislation could be added to a spending package Congress must pass this week to avoid a government shutdown, or it could be enacted as a stand-alone bill. Some lawmakers have expressed concerns that if the disaster supplemental is not added to this week's spending package, relief and recovery resources may be delayed until mid-January.

There is strong disagreement among members of Congress and the administration over how much funding should be included in the disaster supplemental. After Office of Management and Budget (OMB) Director Mick Mulvaney released the administration's disaster request of $44 billion, a bipartisan group of lawmakers from disaster-impacted states sent a letter, expressing their "strong dissatisfaction with the utterly inadequate disaster supplemental appropriations request from the OMB." While congressional leaders are expected to unveil a disaster relief spending bill that is larger than the administration's request, it is unclear how much funding the bill will include.

The NLIHC-led Disaster Housing Recovery Coalition (DHRC) has advocated for both robust resources and legislative language to ensure adequate resources go to assisting the lowest income households most severely impacted by the disasters. The recommended legislative language includes directing FEMA to enter into an interagency agreement with HUD to allow HUD to stand up a Disaster Housing Assistance Program to provide much-needed rental assistance to displaced low-income households.

See the letter from members of Congress on the administration's disaster request at: http://bit.ly/2iAgv9x

See DHRC's top priorities for the next disaster funding supplemental bill at: http://bit.ly/2BtwTxt

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### Additional Updates on Disaster Housing Recovery

The following is a review of additional housing recovery developments related to Hurricanes Harvey, Irma, and Maria, and the California wildfires since last week's *Memo to Members and Partners* (for the article in last week's *Memo*, see **12/11**). NLIHC also posts this information at our **On the Home Front** blog.

#### General Updates

A group of seven U.S. senators sent a letter to the Department of Homeland Security Acting Inspector General John Kelly on December 5. The letter called on Mr. Kelly to investigate a $30 million contract with Bronze Star to supply tarps following Hurricane Maria. Although FEMA has terminated the contract, the senators requested information on FEMA's decision-making process for awarding the contract to Bronze Star, which failed to deliver the tarps as contracted.

The Disaster Housing Recovery Coalition (DHRC) sent a letter to the tax reform conference committee and all other congressional offices outlining the Coalition's concerns about the possible impact of the tax bill on disaster recovery. The DHRC is also urging appropriations committees to include their top priorities for the next disaster funding supplemental bill, which could come before the end of the year or in early January.

## California Wildfires

### FEMA

President Trump signed an Emergency Declaration on December 8 for five counties in southern California. This declaration makes federal emergency aid available to assist state and local response efforts. The covered counties are Los Angeles, Riverside, San Diego, Santa Barbara, and Ventura. The President's action authorizes FEMA to identify, mobilize, and provide at its discretion equipment and resources necessary to alleviate the impacts of the emergency. Emergency protective measures, including direct federal assistance, will be provided as a 75% federal funding cost-share.

### Local Perspective

The State of California and the Governor's Office of Emergency Services created a website with resources for survivors of the wildfires and local governments to aid in the recovery process.

## Hurricane Maria

### FEMA

The deadline for survivors of hurricanes Irma and Maria in the U.S. Virgin Islands to register with FEMA has been extended to January 8. The registration deadline has been extended for individuals and families to apply for grants for rental assistance, essential home repairs, personal property losses, and other serious disaster-related needs not covered by insurance. FEMA encourages everyone affected by the hurricanes to register for assistance.

FEMA has authorized Direct Leasing in the U.S. Virgin Islands. The Direct Leasing program allows FEMA to rent housing units directly from private owners to provide survivors a place to stay. FEMA also pays for utilities as part of the agreement. The agency is currently seeking properties that meet the required safety standards.

Property owners have enrolled over 3,000 housing units in Puerto Rico for FEMA's Direct Lease program.

### Local Perspectives

Although the official death count in Puerto Rico is 64, others estimate as many as 1,052 have died as a result of the storm. Many of these deaths are due to lack of power, inability to access health services, and exposure to infections.

Three months after Hurricane Maria, only 60% of the power grid in Puerto Rico has been restored. The lack of power is especially difficult for older residents and those with medical conditions. Residents at the island's largest housing project for low-income seniors have fallen, accidentally ingested poison in the dark, and missed medical appointments because of closed roads.

## Hurricane Irma

### FEMA

FEMA requires survivors who have been placed in a FEMA-provided housing unit to provide evidence of progress related to their long-term housing plans. Evidence can include invoices for repairs and other options determined with a FEMA case worker. FEMA re-evaluates eligibility every 30 days.

### Local Perspectives

An update from the Monroe, FL County Emergency Management Office states that 160 households in the county are staying in FEMA Direct Housing. This includes 139 households in travel trailers and 21 households in Direct-Lease properties. Monroe County includes the Florida Keys, which was hit particularly hard by Hurricane Irma.

Residents in the Keys continue to struggle to find housing after Hurricane Maria. While some have received FEMA assistance, others have received nothing, even after four FEMA inspections. Even if a household does obtain FEMA funding, the costs of rebuilding manufactured housing - the main source of affordable housing in the area - to new, higher standards is expensive.

**Hurricane Harvey**

**Local Perspective**

Houston residents gathered outside of City Hall demanding the adoption of a Disaster Housing Assistance Program (DHAP). Individuals shared stories of being forced to live in unsafe housing conditions without alternative options that could be provided through programs like DHAP. They also distributed Christmas cards during a city council meeting that read, “All I want for Christmas is safe, affordable housing.”

Homeowners are struggling to pay their mortgages following Hurricane Harvey. Some are choosing to sell their homes to pay mounting bills. Some officials are predicting an increase in foreclosures.

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## Budget & Appropriations

### House Committee Releases Details on Third Stopgap Funding Measure

The House Appropriations Committee released on December 13 the details on a stopgap funding measure, known as a continuing resolution (CR), which would fund the government at FY17 levels through January 19. The CR would give lawmakers more time to negotiate a budget deal to lift statutorily required caps on defense and nondefense discretionary spending. Congress needs to pass the CR by December 22 to avoid a government shutdown.

The House CR would fund the Department of Defense for the remainder of FY18 and would extend funding for several programs, including the Children’s Health Insurance Program (CHIP). As introduced, the bill does not include any disaster relief for areas impacted by this year’s hurricanes and wildfires, which could lead to some Republicans voting against the bill. It is still possible that lawmakers may attach a new disaster aid package.

The House will vote on the stopgap funding bill early this week, with the Senate voting soon after. The Senate will most likely remove the funding for defense programs to get the bipartisan support the chamber needs to pass the CR and send back a new version that funds all 12 regular appropriations bills. Democrats oppose attaching the defense spending bill to the CR since doing so would violate the statutorily required limits on defense funding while putting nondefense funding on autopilot.

Members of Congress are still in the process of negotiating a budget deal to lift the spending caps on discretionary spending, with Democrats demanding parity between defense and nondefense spending. Once a deal has been struck, the Appropriations Committees will be able to rewrite the spending bills at the increased cap levels, and will likely package them into an omnibus bill. NLIHC urges advocate to contact your members of Congress and demand that federal affordable housing programs receive their fair share of any additional funds provided in the final spending deal.

## National Housing Trust Fund

### House Committee Passes Bill Jeopardizing the National Housing Trust Fund

The House Financial Services Committee passed 13 bills on December 13, including H.R. 4560, the "GSE Jumpstart Reauthorization Act of 2017." H.R. 4560 would require Federal Housing Finance Agency Director Mel Wat to suspend payments to the national Housing Trust Fund (HTF) in any fiscal year that he acts to reestablish a capital buffer for the government sponsored entities (GSEs) Fannie Mae and Freddie Mac. The HTF is funded through a small fee on the GSEs' earnings. The GSEs' capital buffers will be reduced to zero in 2018 because all of their profits are currently being swept to the Treasury, and Mr. Watt has explored retaining dividends to bolster the GSEs' financial security. The Committee passed the bill on a 33-27 vote, with Representative Tom MacArthur (R-NJ) and all Democratic members voting against the measure. Ranking Member Maxine Waters (D-CA) offered an amendment to eliminate the provision jeopardizing payments to the HTF, which failed along party lines. The bill will now move to the House Floor for a vote.

The Housing Trust Fund is the first federal housing resource in a generation designed to help build and preserve rental homes affordable to people with the lowest incomes. It is specifically designed to address the housing needs of people most severely impacted by the U.S. rental housing crisis, including America's lowest income seniors, people with disabilities, families with children, and people experiencing homelessness. If H.R.4560 is enacted, funding for the HTF will likely be suspended until Congress enacts legislation to reform Fannie Mae and Freddie Mac, which have been in government conservatorship for nearly a decade. NLIHC sent a letter to members of the Committee expressing our opposition to the bill.

The Committee also passed H.R. 3864, the "Native American Housing Assistance and Self Determination Reauthorization Act of 2017" (NAHASDA), on a vote of 37-23. The Committee amended the bill to exclude Native Hawaiians from receiving housing assistance, causing many Democrats to oppose the bill. Representative Waters also offered an amendment, which ultimately failed, that would have removed provisions she felt comprised affordability. Members on both sides of the aisle supported the "Credit Access and Inclusion Act of 2017" (H.R. 435), which allows utility bill and rent payments, including those through HUD, to be included in credit reporting. The Committee approved H.R. 435 unanimously.

## HUD

### HUD Issues Interim Rule Implementing FAST Act

HUD published an interim rule on December 12 that amends March 8, 2016 regulatory language for public housing, vouchers, and HUD Multifamily rental housing assistance programs (see *Memo*, 3/7/16). The interim rule aligns the March 2016 regulatory flexibilities with those provided in the 2015 "Fixing America's Surface Transportation" (FAST) Act. In addition, the interim rule extends to Multifamily programs two of the administrative streamlining changes that were adopted in the March 8, 2016 final rule for public housing and vouchers.

The interim rule implements FAST Act provisions that allow public housing agencies (PHAs) and owners of multifamily housing (Section 8 Project-Based Rental Assistance or PBRA, Section 202 housing for elderly people, and Section 811 housing for people with disabilities) to conduct full income recertification for households with 90% or more of their income from fixed-income (such as Social Security) every three years instead of annually. (The March 8, 2016 rule did not have the FAST Act's 90% provision; it merely applied to any fixed-income.) The interim rule also modifies the March 8, 2016 streamlining regulations so that the procedures for families meeting the 90% fixed-income threshold of the FAST Act are as similar as possible to those for families who receive some, but less than 90%, of their income from fixed-income sources.

During years two and three after a full income review, PHAs and owners in the public housing, voucher, and Multifamily programs may determine a family's fixed-income by using a verified cost of living adjustment (COLA) or rate of interest on the individual sources of fixed-income. In the case of a family with at least 90% of the family's unadjusted income from fixed-income, an owner or PHA using streamlined income verification may, but is not required to, adjust the non-fixed income. For families with at least one source of fixed-income but for which less than 90% of the family's income is from fixed-sources, owners and PHAs must verify and adjust non-fixed sources annually.

On January 6, 2015, HUD issued a proposed rule to implement several statutory changes made in the FY14 appropriations act and to make multiple administrative streamlining changes across several HUD programs (see *Memo*, 1/12/15). In that proposed rule, some of the additional streamlining changes applied only to the public housing and voucher programs, not to Multifamily programs. Given feedback on the rule, HUD issued the December 2017 interim rule to expand to Multifamily programs the utility reimbursement and asset declaration flexibilities finalized for the public housing and voucher programs in the March 8, 2016 final rule. The interim rule allows an owner to:

- Make utility reimbursements of $45 or less on a quarterly basis. If an owner chooses this flexibility it must also have a policy to assist residents for whom quarterly reimbursements would pose a financial hardship.
- Accept family declarations of assets under $5,000. Third-party verification of all family assets would be required every three years.

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## HUD Seeks Comments about Suspension of Small Area FMR Rule

HUD published a notice in the *Federal Register* on December 12, 2017 offering the public an opportunity to comment on its surprise August 11, 2017 two-year suspension of the requirement that public housing agencies (PHAs) in 23 metropolitan areas use Small Area Fair Market Rents (Small Area FMRs or SAFMRs) by January 1, 2018 (see *Memo*, 8/21). HUD has asserted that it was not required to post the suspension for public comment, but in response to requests from advocates, HUD is now soliciting comments for a period of 30 days. HUD states that it will review the comments and consider whether changes to the suspension are necessary.

Small Area FMRs reflect rents for U.S. Postal ZIP codes, while traditional fair market rents (FMRs) reflect a single rent standard for an entire metropolitan region. The intent of SAFMRs is to provide voucher payment standards that are better aligned with neighborhood-scale rental markets, resulting in relatively higher subsidies in neighborhoods that have higher rents and relatively lower subsidies in neighborhoods that have lower rents and higher concentrations of voucher holders. The primary goal of SAFMRs is to help households use vouchers in areas of higher opportunity and lower poverty, thus reducing voucher concentrations high poverty areas.

After one-and-a-half years of public input (see *Memo*, 6/8/15, 7/6/15, 6/20/16, and 8/22/16) regarding the use of Small Area FMRs, HUD's Office of Public and Indian Housing (PIH) published a final rule on November 16, 2016 (see *Memo*, 11/21/16). Then, without public notice, PIH sent a letter on August 11, 2017 to PHAs in 23 metropolitan areas that were scheduled to use SAFMRs by January 1, 2018. The letter stated that HUD was postponing implementation of the requirement until October 1, 2019, which would mean PHAs in those 23 metro areas would not have to use Small Area FMRs until January 2020. The letter justified the suspension by noting the mid-August release of interim findings from a seven-PHA SAFMR demonstration assessment. PIH also said it was responding to objections raised by industry groups in May, 2017, well after the final rule went into effect. Another excuse offered by PIH was that it had not had sufficient time to provide guidance and technical assistance to those PHAs, even though use of Small Area FMRs had been in the works for years, and

HUD had a year between publication of the final rule and the beginning of the fiscal year when the PHAs would have to start using SAFMRs.

The December 12, 2017 *Federal Register* notice reiterates HUD's August justification for the suspension, citing the final rule at 24 CFR 888.113(c)(4). The rule states that HUD may suspend mandatory use of Small Area FMRs "when HUD *by notice* makes a *documented* determination that such action is warranted." According to the regulation, actions that may serve as the basis for a suspension are a presidentially declared disaster that results in the loss of a substantial number of housing units, a sudden influx of displaced households needing permanent housing, or other *events* as determined by the Secretary (emphases added).

The *Federal Register* notice and the August letter cite the mid-August 2017 interim assessment report of a seven-PHA demonstration of SAFMR use as an "event" (see *Memo*, 8/21). PIH claims it "has concerns that the mandatory use of Small Area FMRs, without sufficient preparation and mitigation of potential unintended consequences, could put some PHAs at risk of causing an adverse rental housing market condition." In the preamble to the November 2016 final rule, however, HUD stated that it had considered and rejected comments urging HUD to postpone implementation of the rule until the seven-PHA demonstration was complete and fully analyzed. Final findings about the demonstration are expected in July, 2018.

While there were a number of findings in the interim report, NLIHC and other advocates interpret the interim report's key findings to indicate SAFMRs generally achieved their goals. For instance, there was an increase in the number of rental homes in high-rent ZIP codes renting below the applicable FMR, making the homes potentially available to voucher households. The percentage of voucher households living in high-rent ZIP codes increased from 17% in 2010 (pre-SAFMRs) to 20% in 2015. The percentage of new voucher households who moved into high-rent ZIP codes increased from 14% in 2010 to 17% in 2015, and the percentage of existing voucher households moving to high-rent ZIP codes increased from 18% to 28%.

In response to the suspension, five civil rights organizations representing three plaintiffs sued HUD (see *Memo*, 10/30). The organizations argue in their legal complaint that the suspension of the SAFMR rule is unlawful because HUD failed to follow Administrative Procedure Act (APA) rules requiring public comment and failed to provide sufficient justification for the suspension according to the Small Area FMR rule. The lawsuit also alleges that HUD's action violates its duty under the Fair Housing Act of 1968 to spend federal funds in a way that affirmatively furthers fair housing, rather than increasing racial segregation and concentrated poverty. The plaintiffs seek a court order requiring HUD to implement the new SAFMR rule on January 1, 2018 as previously scheduled.

Comments are due January 11, 2018. NLIHC urges advocates to submit comments. A sample comment letter is at http://bit.ly/2AreqjX

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## Research

### Permanent Supportive Housing Program Improves Mental Health and Reduces Homelessness, Emergency Room Visits, and Public Costs

A new report by researchers at the RAND Corporation, *Evaluation of Housing for Health Permanent Supportive Housing Program*, examines Los Angeles County's permanent supportive housing (PSH) program called Housing for Health (HFH) launched in 2012. The report found the program succeeded in stable housing homeless individuals with complex medical and behavioral health issues, while generating cost-savings through reduced service utilization that more than offset the cost of the program.

The HFH program provides federal housing assistance through tenant-based and project-based vouchers in partnership with the housing authorities of the City and County of Los Angeles and a local rental subsidy program. The local rent subsidy provides HFH greater flexibility to provide housing assistance to households who may not qualify for federal assistance. The households may have, for example, a prior conviction or may not have a documented disability. The services component of PSH involves case management to connect participants with supportive services.

The outcomes of the HFH program show promising results. The program supported 890 individuals, most of whom (83%) were experiencing chronic homelessness, which is defined as being continuously homeless for at least one year or having four experiences with homelessness that add up to a year over the last three years. Ninety-six percent of the program's participants were stably housed for at least one year, showing the program is an effective intervention for reducing homelessness.

Of the participants, 88% suffered from medical and mental health issues, including substance abuse disorders. Such individuals are more likely to use public services, particularly health services like the emergency room (ER). Following program participation, participants made an average of 1.64 fewer ER visits during the year, and inpatient hospital stays declined by at least 4 days. Participants received assistance for an average of 1.38 fewer months from Los Angeles's financial assistance program for homeless individuals who do not qualify for federal or state programs. In total, the cost of public services used by participants decreased by 60%, outweighing the cost of the HFH program. Additionally, participants' self-reported mental health functioning improved.

*Evaluation of Housing for Health Permanent Supportive Housing Program* is available at: http://bit.ly/2BCcnO7

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## Rental Housing Study Highlights High Level of Cost Burdens for Lowest Income Households

The Joint Center for Housing Studies of Harvard University released its biennial rental housing study, *America's Rental Housing 2017*, on December 14. The report finds that the decade-long growth in renter households subsided over the past year, and rental vacancy rates have increased, especially among higher-priced Class A apartments. Significant affordability challenges persist, however. Increases in rental prices continue to outpace inflation for non-housing goods. The number of cost-burdened renters who spend more than 30% of their income on rent remains above levels of a decade ago, and housing assistance for very low income renters remains inadequate, its growth not keeping pace with the growth in households needing assistance.

The number of cost-burdened renters declined from 21.3 million in 2014 to 20.8 million in 2016, while the number of severely cost-burdened renters spending more than 50% of their incomes on housing declined slightly from 11.4 million to 11.0 million. Cost burdens remain significantly higher than in 2001, when there were 14.8 million cost-burdened and 7.5 million severely cost-burdened renters.

Low income households are those most challenged by cost burdens. Seventy-two percent of renter households with incomes below $15,000 and 39% of those with incomes between $15,000 and $30,000 had severe cost burdens, as compared to 2% of renter households with incomes higher than $45,000. The lowest income renters have far less disposable income for other necessities after paying for their housing. The poorest 25% of renters had a median of $500 per month left over for other expenses after paying for their housing. The 25% of renters with the highest incomes had a median of $9,700 left over for other expenses.

The availability of rental assistance has not kept pace with the growth in very low income renters. The number of very low income households with incomes below 50% of their area median income increased from 14.9 million to 19.2 million between 2001 and 2015. The number of very low income households receiving rental assistance increased slightly from 4.2 million to 4.8 million. As a result, the share of very low income households receiving assistance has declined from 28% to 25%.

*America's Rental Housing 2017* is available at: http://bit.ly/1gTK6yA

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## People with Disabilities Face Significant Affordability Challenges in the Rental Market

A report by the Technical Assistance Collaborative and the Consortium for Citizens with Disabilities, *Priced Out: The Housing Crisis for People with Disabilities*, calls attention to the affordability challenges that people with disabilities face in the rental housing market. Rents for a modest apartment in a number of markets can exceed the entire typical income of people with disabilities who rely on Supplemental Security Income (SSI) to meet their basic needs.

SSI is a federal program that provides cash assistance to people with significant, long-term disabilities and less than $2,000 in wealth. Approximately 4.8 million adults with disabilities between the ages of 18 and 64 receive SSI income. In most cases, SSI is the only source of income they have to meet their expenses. The report shows that SSI payments are too low for recipients to afford their housing and other necessities without other housing assistance, like a Housing Choice Voucher. Nationally, the average Fair Market Rent (FMR) for a studio apartment was $752 per month. HUD's FMR is the upper end of the monthly price range that families moving this year could expect to pay for a modest apartment (typically set at the 40th percentile of recent rents). An SSI recipient relying on the average SSI payment of $763 would have just $11 left to cover all other expenses after paying for their studio apartment.

The average FMR for a modest one-bedroom apartment is $861 per month, which is 113% of the average monthly income of a one-person SSI household. In nineteen states and the District of Columbia, the average monthly FMR for a one-bedroom apartment exceeded the average SSI payment. Rents for one bedroom apartments also exceeded SSI payments in the 220 most expensive housing markets in the US.

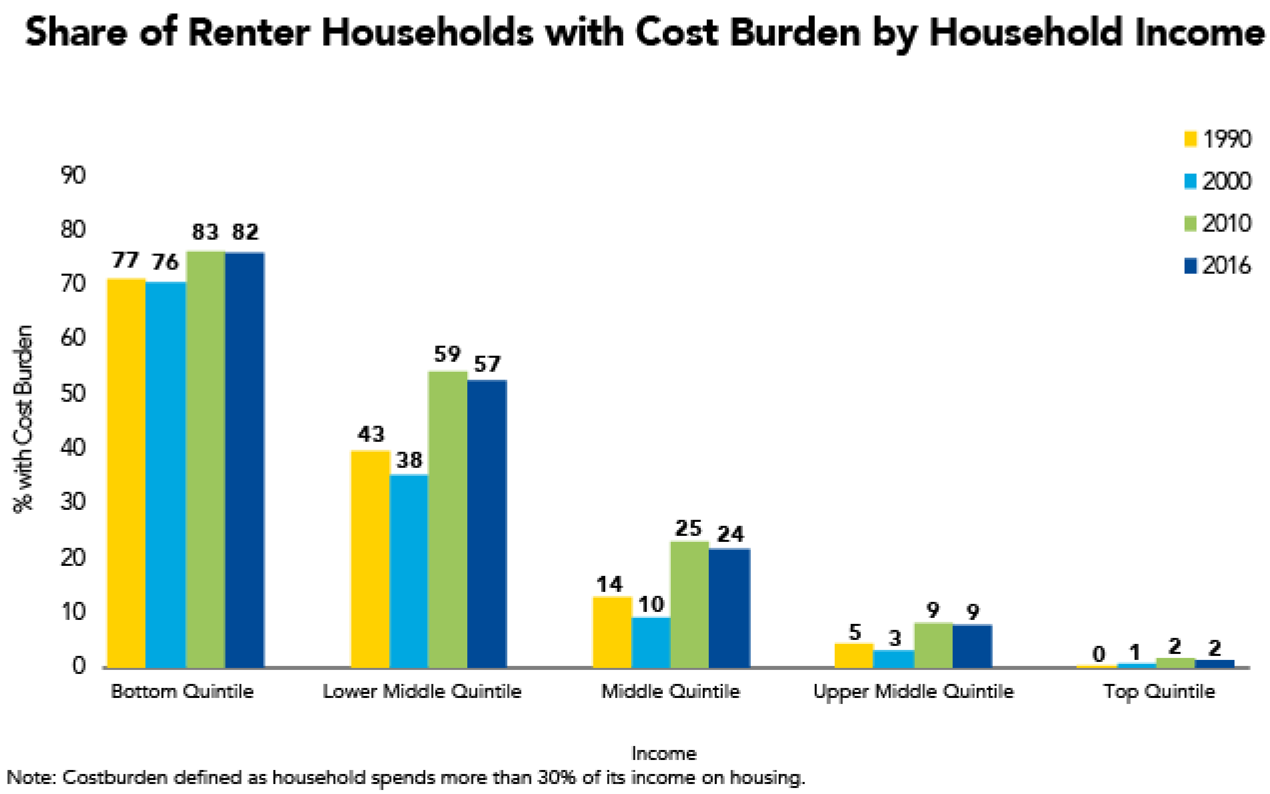
The high cost of housing, minimal SSI support, and inadequate resources to provide housing assistance to everyone who qualifies leave many renters with disabilities severely cost-burdened, paying more than 50% of their income on rent and utilities. Severely cost-burdened households must cut back on other necessities and are one financial emergency away from housing instability, risk of eviction, and homelessness. Evictions are a significant cause of homelessness, since an eviction makes it more difficult to secure new housing. The lack of affordable and accessible housing bars people with disabilities living in institutional settings from moving to community settings.

To solve the housing crisis facing low income people with disabilities, the report advocates for fully funding the Housing Choice Voucher program for all eligible households, expanding "mainstream" vouchers that serve extremely low income people with disabilities, funding in all 50 states the Section 811 Project Based Rental Assistance Program that provides project-based rental assistance for rental units serving low income people with disabilities, and increased funding for the national Housing Trust Fund that supports housing for households with extremely low incomes. The report also recommends ensuring equitable disaster recovery efforts for people with disabilities, enforcing and defending fair housing laws, supporting diversion and reentry programs for people with disabilities exiting incarceration, and using Medicaid to support housing-related services.

*Priced Out: The Housing Crisis for People with Disabilities* and an interactive data tool are available at: http://bit.ly/2Bc1mSn

## Fact of the Week

### Over 80% of Lowest Income Households Suffer Housing Cost Burdens




Source: Joint Center for Housing Studies of Harvard University. (2017). *America's Rental Housing 2017*. Cambridge, MA: Author.

## From the Field

### Los Angeles City Council Unanimously Passes Linkage Fee to Fund Affordable Housing Development

Another significant victory for affordable homes in Los Angeles occurred when the City Council established a new fee on developers that will raise revenue for affordable housing production. The ordinance passed by a unanimous vote at the council's December 13 meeting. The new fee is expected to raise approximately $100 million annually, which the Los Angeles Department of City Planning estimates will finance the development or preservation of between 1,699 and 1,767 affordable homes each year. The victory comes as the result of more than two years of active organizing and advocacy by the Coalition for a Just LA, which is co-organized by the Southern California Association for Non-Profit Housing (SCANPH), an NLIHC state partner.

The final draft of the ordinance requires a fee schedule be established for all new development, accounting for the financial feasibility of new developments and the expected demand for housing in certain neighborhoods. Various reports estimate the fees will be between $8 and $15 per square foot for residential buildings and between $3 and $5 per square foot for commercial buildings. The city will begin collecting the fees on new building permits granted after the next 120 days, with the fees being gradually phased in over a one-year period.

The City of Los Angeles Housing + Community Investment Department is now tasked with determining the specifics of how the new revenue will be put to use and presenting their plan to the City Council. Advocates for the linkage fee have been consistent in their messaging that the fee will provide one of several tools that will be needed to meet the goal of 100,000 new affordable homes produced by 2021. Mayor Eric Garcetti (D) proposed the linkage fee in 2015 as part of a comprehensive housing strategy and remained a strong champion for the campaign.

Efforts to establish the new linkage fee met fervent opposition from for-profit developers in the Los Angeles area. Opponents argued that additional fees would decrease overall housing development at a time when housing scarcity is already an extreme problem. The Coalition for a Just LA effectively refuted these claims by pointing to the success of similar fees in cities like San Francisco and San Diego where there has no apparent decrease in development or investment.

The linkage fee is a natural next step for the City of Los Angeles, which has been taking decisive action to address homelessness and housing scarcity over the past year. Los Angeles voters approved in November 2016 proposition HHH – a $1.2 billion bond measure to provide housing and services to end homelessness – and then rejected Measure S – an anti-development measure backed by NIMBY activists – in March of this year.

"The political process inherent to advancing a piece of policy as momentous as the linkage fee can be long and challenging, but I could not have asked for a better set of partners to mark this victory for housing," said Alan Greenlee, executive director at SCANPH. "The Coalition for a Just LA has been a terrific team that has been staunchly committed to solving our housing crisis, and SCANPH is proud to have helped lead the Coalition over the last two years. We are grateful for the leadership of Mayor Garcetti, Councilmember Jose Huizar, and the rest of the city council for stepping up and taking bold action to find more resources for the development and preservation of affordable homes."

For more information about the linkage fee victory in Los Angeles, contact Alan Greenlee, executive director at SCANPH at: agreenlee@scanph.org

Read the linkage fee ordinance at: http://bit.ly/2jZKJjB

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## NLIHC in the News

### NLIHC in the News for the Week of December 10

The following are some of the news stories that NLIHC contributed to during the week of December 10:

- “How The House Tax Overhaul Bill Could Hurt Affordable Housing,” *National Public Radio*, December 15 at: http://n.pr/2jVsXhy
- “Facing unexplained eviction, 83-year-old wages rare fight with landlord,” *The Arizona Republic*, December 13 at: http://bit.ly/2o7AMVY
- “The working homeless isn't just a tech bubble problem,” *Axios*, December 13 at: http://bit.ly/2j52nl6
- “America’s disappearing mortgage tax break is finding few defenders,” *Pittsburgh Post-Gazette*, December 8 at: http://bit.ly/2yFgtyO

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## More NLIHC News

## NLIHC Seeks National Multisector Housing Campaign Director

NLIHC and a group of other leading national organizations seeks a campaign director to lead the building and implementation of a new, long-term multisector campaign that will address the housing needs of the nation's most vulnerable households.

**Background:** After a year-long planning process and with the input from education, health, children's, anti-poverty, faith-based, and civil rights organizations, the National Low Income Housing Coalition (NLIHC), the National Alliance to End Homelessness, the Center on Budget and Policy Priorities, Make Room, and Children's Health Watch have initiated a dynamic, long-term, multisector Campaign to meet the housing needs of the lowest-income people**.**

This is a critical moment in federal housing policy. Support for addressing rental affordability has gained momentum over the past several years. Potentially powerful new constituencies—in the health care, education, veterans, aging, child welfare, child poverty, faith, and other communities—are recognizing the impact the inability to afford decent housing has on the wellbeing of the people they serve. At the same time, there are unprecedented threats to federal housing assistance.

In the face of these opportunities and challenges, multisector advocates have come together to launch a long-term Campaign to address the entrenched shortage of housing affordable for the lowest income people. Together, strengthened and expanded coalitions nationally and in priority states will pursue a coordinated strategy to educate policymakers, the media, and the public about the problem and its practical solutions and the impact the solutions will have on the quality of life not only of low-income people, but of the country more broadly.

The Campaign will be a long-term, multi-faceted effort to create a new national multisector coalition that works closely with strengthened state-based organizations to impact federal policy. It will deploy policy analysis and development, communications, and informing to impact opinion leaders and policymakers. It will be staffed and operated out of NLIHC. The Campaign's steering committee will represent education, civil rights, anti-poverty, children's issues, faith based, disability, seniors, veterans, city/state government associations and veterans, and resident leaders, among others. The goals of the Campaign will be to:

1. *Fill the gap between rents and incomes* for the most vulnerable households through a variety of rental assistance strategies that include rental subsidies to landlords and tax credits.
2. *Prevent destabilizing housing crises* through the creation of flexible short-term tools for low-income homeowners and renters for whom short-term crises like the loss of a job or a health emergency can jeopardize housing stability.
3. *Create more housing affordable to the lowest income people* through deeply income-targeted production programs such as the national Housing Trust Fund.
4. *Defend against funding cuts and harmful policy changes* in existing low-income housing programs.

**Job Description:** The Campaign director will have a leadership role in building a long-term national, multisector Campaign to meet the rental housing needs of the nation's most vulnerable households. The director will work closely with the Campaign's five principal partners and Steering Committee members to create a robust national movement around the Campaign's goals and plan. With the principals and the Steering committee, the director will create a national Campaign structure, reach out to potential partners, develop and implement communications strategies, coordinate state grantee partners, undertake national policy informing efforts, coordinate events, and act as a principal spokesperson. In addition, the director will administer the Campaign, supervise Campaign staff, coordinate the work of the principal partners, and lead fundraising efforts (with strong support of the principal partners). The Campaign director will be a national voice for affordable housing for the most vulnerable people and a leader capable of developing and sustaining a national movement.

**Responsibilities:** The Campaign director will provide day-to-day direction and oversight of the Campaign, including the following responsibilities.

- Coordinate and oversee the work of the Campaign staff;
- Help to build and maintain a cooperative, productive coalition structure, including close coordination with the Campaign's partners, the Steering Committee, and a larger network of cooperating organizations;
- Refine and carry out the Campaign plan in coordination with the Campaign's partners;
- Develop creative and effective communications and policy Campaign plans and take oversight responsibility for implementing those plans;
- Ensure the effective integration of a state-based Campaign infrastructure into national efforts;
- Ensure effective partner sub-grants management: ensure sub-grantees are carrying out the terms of their grants and are effectively and appropriately using the grants provided to achieve intended deliverables and outcomes;
- Assist in, and provide strategic guidance for, ongoing fundraising efforts (including the development of proposals) that enable the Campaign to grow;
- Provide periodic reports to the Campaign's partners, Steering Committee members, and relevant others about the Campaign's progress, including comprehensive donor reports;
- Engage in public speaking in support of the Campaign and represent the Campaign with the media, as needed;
- Manage the Campaign's budget and expenditures; and
- Other duties as assigned.

**Qualifications:**

- A bachelor's degree in a pertinent field, advanced degree preferred;
- A minimum of five years previous experience leading, or playing a critical role in, one or more campaigns;
- Proven experience building or leading a large, diverse coalition of cooperating organizations;
- Significant experience in building partnerships between organizations with different substantive priorities;
- Substantial experience developing and implementing integrated strategies involving coalition-building, grassroots infrastructure deployment, creative communications, and political mobilization;
- A demonstrated capacity as a strategic thinker as well as a creative formulator of ongoing tactics pursuant to an overall strategy;
- An effective communicator, both orally and in writing;
- Experience in leading, or significantly assisting in, philanthropic fundraising;
- Previous experience harmonizing substantive ideals with the practical pursuit of achievable, incremental opportunities; and
- An ability to work in a diverse, high-speed environment.

**Compensation and Benefits:** An equal opportunity, affirmative action employer, NLIHC offers a competitive salary and benefits package. This is a full-time position located in Washington, DC. It is a contract position with the possibility of extension.

**Status:** Full-time (exempt) contract position

**Reports to:** President and CEO of NLIHC

**Job Application Process:** Candidates for the Campaign director position should send a cover letter, resume, and two writing samples to: Paul Kealey, Chief Operating Officer, NLIHC, 1000 Vermont Avenue, N.W., Suite 500, Washington, D.C. 20005 at pkealey@nlihc.org. The cover letter should describe the candidate's interest in, and relevant experiences for, the position, and it should include salary requirements and the names and contact information for at least three people serving as candidate references. (NLIHC will not contact references before consulting with the candidate.)

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### NLIHC Seeks Field Intern for Winter/Spring 2018 Semester

NLIHC is accepting applications for a field internship position for the Winter/Spring 2018 semester. Interns are highly valued and fully integrated into our staff work. We seek students passionate about social justice issues with excellent writing, organizational, and interpersonal skills.

The field intern assists the NLIHC Field team in creating email campaigns focused on important federal policies, writing blogs, managing our database of membership records, mobilizing the field for the legislative efforts, and reaching out to new and existing members.

Winter/Spring interns are expected to work 25 hours a week beginning in January and finishing up in May. A modest stipend is provided. A cover letter, resume, and writing sample are required for consideration. In your cover letter, please specify your interest in the field internship position and that you are interested in the Winter/Spring internship.

Interested students should send their materials to: Paul Kealey, chief operating officer, National Low Income Housing Coalition, 1000 Vermont Avenue, NW, Washington, DC 20005 via email to pkealey@nlihc.org.

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### When You Shop on Amazon Smile for the Holidays, Amazon Contributes to NLIHC at No Cost to You!

You can support NLIHC's mission to end homelessness and housing poverty this holiday season and throughout the year when you shop on Amazon Smile. Amazon will make a contribution to NLIHC on your behalf at no cost to you with every purchase you make on Amazon Smile. Just begin typing "National Low Income Housing Coalition" as your preferred charity and select it when it appears. Click here to support NLIHC's work while shopping.  Thank you for your support!

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### Where to Find Us – December 18

NLIHC President and CEO Diane Yentel and other NLIHC staff will be speaking at the following events in the coming months:

- Bill & Melinda Gates Foundation - Racial Equity and Homelessness Summit, Seattle, WA – February 7-8, 2018
- Housing First Partners Conference 2018, Denver, CO – April 10-12, 2018
- 2018 Building Michigan Communities Conference, Lansing, MI – April 30 to May 2, 2018

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## NLIHC Staff

Sonya Acosta, Policy Intern, x241
Andrew Aurand, Vice President for Research, x245

Josephine Clarke, Executive Assistant, x226
Dan Emmanuel, Research Analyst, x316
Ellen Errico, Creative Services Manager, x246
Jared Gaby-Biegel, Research Intern, x249
Ed Gramlich, Senior Advisor, x314
Paul Kealey, Chief Operating Officer, x232
Joseph Lindstrom, Manager, Field Organizing, x222
Lisa Marlow, Communications Specialist, x239
Sarah Mickelson, Director of Public Policy, x228
Khara Norris, Director of Administration, x242
James Saucedo, Housing Advocacy Organizer, x233
Christina Sin, Development Coordinator, x234
Debra Susie, Disaster Housing Recovery Coordinator, x227
Elayne Weiss, Senior Housing Policy Analyst, x243
Renee Willis, Vice President for Field and Communications, x247
Diane Yentel, President and CEO, x228