

2012

advocates' guide

to Housing & Community Development Policy

Presented by the National Low Income Housing Coalition

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NATIONAL LOW INCOME HOUSING COALITION

Established in 1974 by Cushing N. Dolbeare, the National Low Income Housing Coalition is dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes.

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INTRODUCTION

ABOUT THE *ADVOCATES' GUIDE*

The National Low Income Housing Coalition's *2012 Advocates' Guide to Housing and Community Development Policy* is intended to provide advocates, policymakers, students, and others with information on the most relevant housing and housing-related programs and issues at the federal level, as well as information related to income programs and the community planning process. Each article provides basic information on a specific program or issue, and its current status. Where appropriate, advocates are provided talking points to assist in weighing in on particular topics.

In this year's edition of the *Advocates' Guide*, you will notice a focus on advocacy. In this election year, it is important for housing advocates to be prepared to query candidates for public office on their positions on low income housing programs, as well as to educate newly-elected local, state and federal officials on the housing programs that matter in our communities. NLIHC is committed to supporting your low income housing advocacy. Please contact our Outreach Team at outreach@nlihc.org for assistance and support in your advocacy this year.

Finally, with new developments occurring in the budget and policy process nearly every day, readers will want to stay up-to-date. We encourage advocates to join or renew NLIHC membership in order to receive weekly updates on housing policy through our newsletter, *Memo to Members*, as well as through regular Calls to Action. For your convenience, a membership form is located at the back of this guide and online at www.nlihc.org/membership.

Finally, the success of the *Guide* is dependent on its usefulness to our members and other housing advocates. Please take a moment to fill out and return the short survey at the back of the Guide to let us know how we are doing and what we can improve.

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The *Guide* was compiled with the help of many of our partner organizations. We are deeply grateful to each of the authors for their assistance; the *Guide* would not be possible without them. Several articles build on the work of authors from previous versions of the *Guide*, and we appreciate and acknowledge their contributions as well.

NATIONAL LOW INCOME HOUSING COALITION

2012 POLICY AGENDA

NLIHC supports all policy initiatives that advance our mission and our goals.

Mission:

NLIHC is dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes.

Our three goals are:

- To preserve existing federally assisted homes and housing resources.
- To expand the supply of low income housing.
- To establish housing stability as the primary purpose of federal low income housing policy.

In 2012, NLIHC will focus its resources proactively on the policy objectives listed below, while monitoring the policy environment and responding to emerging issues as needed.

National Housing Trust Fund (NHTF)

- Obtain funding for the NHTF of at least \$5 billion a year, with a goal of \$30 billion a year for 10 years.
- Advance Ellison bill on Mortgage Interest Deduction reform and funding for the NHTF.
- Monitor and influence federal housing finance reform legislation to protect the statutory authority for the NHTF and to ensure that dedicated funding for NHTF is in final bill.
- Develop and advance legislation to direct 20% of profits of Federal Home Loan Banks into NHTF after they have reached required levels of reserves.
- Develop and advance legislation to 1) move statutory authority for NHTF to more compatible and less vulnerable section of the federal code, and 2) ensure rents for NHTF units are affordable for all extremely low income (ELI) households.
- Advance S. 489 and H.R. 1477 to fund NHTF through proceeds of Troubled Asset Relief Program (TARP).
- Advocate for publication of NHTF rule in timely manner.

Balanced Housing Policy

- Advance Ellison bill on Mortgage Interest Deduction reform to create mortgage interest credit and funding for NHTF.
- Monitor and influence federal housing finance reform legislation to ensure balanced attention to both rental housing and mortgaged housing.

Housing Choice Vouchers

- Advance Section 8 Savings Act without Moving to Work (MTW), time limits, or minimum rent increases.
- Develop and advance legislation to incentivize state and regional voucher administration.
- Advocate for increase in incremental vouchers and ensure full funding for all current vouchers in FY13 HUD budget.
- Monitor Small Area Fair Market Rent demonstration.

Preservation of Public and Assisted Housing

- Advocate for full funding of project-based Section 8 contracts and the operating accounts. Advocate for sufficient funding to meet annual capital costs of public housing and increased funding to address the public housing capital needs backlog.
- Advocate for enactment of Rental Assistance Demonstration program.

- Oppose expansion of MTW in absence of resident protections.
- Advance legislation to require unique identifier for each and every federally assisted housing property, and to establish a national preservation inventory.
- Advocate for tools and resources for residents and advocates to work on preservation of public and assisted housing.
- Support administrative reforms to protect existing units.

Federal Budget

- Advocate for the highest possible FY13 appropriations for HUD and USDA Rural Housing, while ensuring sufficient funding to preserve all existing low income housing resources and prevent loss of units affordable to or rental assistance for ELI households.
- Advocate for sufficient funding for U.S. Census.
- Explore moving all rent assistance programs to mandatory side of budget.
- Oppose deficit reduction plans that do not include increased revenues.
- Oppose cuts to discretionary and mandatory programs that will cause harm to low income people.
- Oppose across-the-board cuts.
- Advance Ellison bill on Mortgage Interest Deduction reform and funding for the NHTF.

Foreclosure Intervention

- Advance legislation to make permanent the Protecting Tenants in Foreclosure Act (PTFA).
- Monitor and influence implementation of PTFA by federal agencies and GSEs.

Disaster Housing

- Advance S. 1630, the Disaster Recovery Act of 2011 (Stafford Act reform).

Planning for Just Communities

- Monitor and influence improvements to the Consolidated Plan process.
- Monitor and influence the regulations to Affirmatively Further Fair Housing.
- Develop and advance legislation to incentivize state and regional voucher administration.

Housing Plus Services

- Monitor and influence implementation of HEARTH Act.
- Monitor and influence implementation of Section 811 and Section 202 legislation.
- Advance H.R. 3254, Affordable Communities Employment Act of 2011 (Section 3).

30% for the 30%

Low Income Housing Tax Credits (LIHTC)

- Develop and advance legislation to require that a minimum 30% of units subsidized by LIHTC be affordable to and occupied by ELI households.
- Protect LIHTC in context of any tax reform and deficit reduction legislation.

HOME

- Develop and advance legislation to require that a minimum of 30% of units subsidized by HOME funds be affordable to and occupied by ELI households.
- Advocate for HOME funding of at least \$2 billion.

Federal Home Loan Banks

- Develop and advance legislation to require that a minimum of 30% of units subsidized by Affordable Housing Program funds be affordable to and occupied by ELI households.

FEDERAL BUDGET & APPROPRIATIONS

By Melissa Quirk, Senior Policy Analyst, National Low Income Housing Coalition

Development of the federal budget each year is a critical process involving both the Administration and Congress that establishes the overall framework and maximum dollar amount for government spending annually. The appropriations process is handled entirely by Congress and establishes the amount of funding for individual activities of the federal government.

TYPES OF FEDERAL SPENDING AND REVENUE

There are three general financial categories that the budget and appropriations process addresses: discretionary, mandatory and tax.

Discretionary Spending: Though the discretionary portion of the budget represents less than half of total annual expenditures, it is the area of spending that the President and Congress focus on most. As the title indicates, government expenditures in the discretionary portion of the budget are subject to the judgment of the President and Congress to decide upon annually. Each year, the Administration and Congress reevaluate the need for departments, programs and activities. Discretionary spending targets will shift annually, depending upon Administration and Congressional priorities.

Mandatory Spending: This portion of the budget was the largest expenditure in FY11 and is expected to grow as a percentage of the budget in coming years. Mandatory spending is almost entirely made up of spending on entitlements, such as Social Security and Medicaid. Expenditures for entitlements are based on a formula that is applied to the number of households eligible for a benefit. The amount of funding in a given year is essentially predetermined and so it is not the focus of the annual budget process.

Tax Revenue: Taxes provide revenue to the government to fund spending priorities. Tax policy includes not just revenues but also expenditures, in the form of deductions, credits and other tax breaks. These expenditures reduce the total potential tax that could be collected to provide revenue for the federal government. Each year the Administration and Congress decide what tax revenues to collect and what tax expenditures to make by forgoing revenue collection in pursuit of certain policy priorities.

BUDGET PROCESS

The federal fiscal year runs from October 1 through September 30, and planning for the upcoming fiscal year begins as early as a year and a half prior to the fiscal year.

President's Budget Request. The budget process officially commences on the first Monday of February when the President is required by law to provide a budget request to Congress for all Administration activities in the coming fiscal year. The President's budget request to Congress includes a funding request for discretionary programs, mandatory programs and taxes. The majority of housing programs are funded through the discretionary portion of the budget. The President's funding request for discretionary programs varies from year to year to reflect the Administration's evolving policy priorities.

Congressional Budget Resolution. Congress then considers the President's request, and the House and Senate Committees on the Budget prepare to craft a budget resolution. The budget resolution sets the overall framework for spending in the next fiscal year. The resolution includes a top-line spending figure for discretionary activities that the House and Senate Committees on Appropriations use as the maximum amount of funding that can be appropriated in the next fiscal year. This discretionary cap is an extraordinarily important figure for affordable housing programs because it either increases or decreases the overall amount of funding that the Committees on Appropriations allocate to fund HUD and USDA's affordable housing activities. While the budget resolution establishes the overall spending level for the fiscal year, it does not go into detail as to how this funding will be allocated. The details are the job of the Committees on Appropriations, which begin their work after Congress agrees to a budget resolution.

To craft the budget resolution, the House and Senate Committees on the Budget first hold hearings where administration officials testify regarding the President's budget request. Committees on the Budget then each craft their own budget resolutions. The House and Senate must then agree on a final budget resolution. Because this is a resolution, not a bill, it does not have to be signed into law by the President.

Once Congress passes a budget resolution, the appropriations work begins. If Congress does not pass a budget resolution by the statutory deadline of April 15, however, the Committees on Appropriations are free to begin their appropriations work in the absence of a budget resolution.

APPROPRIATIONS PROCESS

Unlike the budget process, where the Administration initiates the process with a budget request, the appropriations process rests entirely in the hands of Congress.

After Congress passes a budget resolution, the House and Senate Committees on Appropriations divide the top-line figure for discretionary spending amongst their 12 respective appropriations Subcommittees. The two appropriations subcommittees that provide the majority of funding for affordable housing and community development programs are the Transportation, Housing and Urban Development, and Related Agencies (T-HUD) Subcommittee and the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee in each House of Congress.

The Subcommittee must divide the amount of funding allocated by the Committee on Appropriations between the various priorities funded in its bill.

It is the job of the Subcommittees to determine the priority programs within each of their bills and provide sufficient funding for those priorities. In order to determine its priorities, the Subcommittees hold hearings where HUD or USDA officials testify regarding specific programs and initiatives included in the President's request. Witnesses in these hearings provide a far greater level of detail on programmatic activity than witnesses testifying at Budget Committee hearings, which focus on overall proposed spending rather than particular activities.

After Appropriations Subcommittee hearings are completed, the Subcommittees craft their bills. The Subcommittees then hold a mark-up of their draft bills, and report out the bill they pass to the Appropriations Committee. The Appropriations Committees then hold a mark-up of each bill and report out those bills to Congress. The House and Senate must then negotiate a final T-HUD and Agriculture bill. Once these bills are passed by Congress, they are signed into law by the President.

If Congress does not pass its appropriations bills by the October 1 start of the fiscal year, it must provide funding for the period after the fiscal year ends and before an appropriations bill is passed. This funding is provided by a Continuing Resolution (CR). A CR continues funding for programs funded in the prior fiscal year, usually at the funding level from the year prior. If Congress does not pass a CR and appropriations bills have not been enacted, the government shuts down.

WHAT ADVOCATES NEED TO KNOW NOW

Spending Caps. In August 2011, Congress passed and the President enacted the Budget Control Act of 2011 which establishes caps for discretionary spending for the next 10 years. These caps set the maximum amount of discretionary spending for each year, a figure which is normally determined by the Budget Resolution. The Committees on the Budget will still craft budget resolutions but are required to work within the spending framework laid out in the Budget Control Act of 2011.

Sequestration. The Budget Control Act of 2011 also required that Congress identify \$1.2 trillion in savings to reduce the national deficit. The act also required that if Congress failed to accomplish this task, that the funds would be sequestered from discretionary spending starting in January 2013. Discretionary appropriations for FY13 are expected to be reduced across the board to achieve savings to reduce the deficit. While Committees on Appropriations are not required to cut discretionary spending below the FY12 levels enacted, many members are interested in cutting this spending area further, despite the cuts already promised when sequestration takes effect.

WHAT TO SAY TO LEGISLATORS

Advocates can weigh in with the Administration and Congress during many points in the Budget and Appropriations process.

- Advocates should let the Administration know what programs they think are priorities to fund before the President's budget is crafted. It is also important for advocates to provide feedback after the President's budget is released.
- Advocates should let their Members of Congress know how important it is that the budget resolution includes a robust top-line discretionary spending figure. While discretionary caps have been established, it is still critical for legislators to understand that housing programs, funded through non-defense discretionary spending, need more, not less, funding overall.

- It is critical for advocates to make legislators aware of the importance of appropriating funds for affordable housing and community development. Advocates should write to and, if possible, meet with their members of Congress to tell them to provide sufficient funding for HUD and USDA affordable housing programs. If Members of Congress do not hear from advocates, they will not know how important these programs are in their districts and states.

- It is particularly important that Members of Congress understand how much funding for affordable housing programs is needed after the cuts to HUD programs in FY12. With sequestration looming in January 2013, advocates need to make sure Members of Congress know that HUD and USDA housing programs cannot take further cuts and still provide much-needed affordable housing resources to constituents in their districts and states.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org/issues/budget

Coalition on Human Needs • 202-223-2532 • www.chn.org/issues/budget

Center on Budget and Policy Priorities • 202-408-1080 • www.cbpp.org/research/index.cfm?fa=topic&id=29

NLIHC FY13 Budget Chart for Selected Department of Housing and Urban Development (HUD) & Department of Agriculture (USDA) Programs

(figures in millions)

HUD Program (set asides indented)	FY08 Enacted	FY09 Enacted	FY10 Enacted	FY11 Enacted	FY12 Enacted	FY13 President's Budget 2/13/12
Tenant Based Rental Assistance	16,391	16,817	18,184	18,371	18,914	19,074
<i>Contract Renewals</i>	14,666	15,034	16,339	16,669	17,242	17,238
<i>Tenant Protection Vouchers</i>	200	150	120	110	75	75
<i>Administrative Fees</i>	1,351	1,450	1,575	1,447	1,350	1,575
<i>Family Self Sufficiency Coordinators</i>	49	50	60	60	60	60
<i>Family Unification Program Vouchers</i>	20	20	15	0	---	---
<i>Section 811 Mainstream Vouchers</i>				35	112	111
<i>Veterans Supportive Housing Vouchers</i>	75	75	75	50	75	75
<i>Nonelderly Disabled Vouchers</i>	30	30	0	0	---	---
Project Based Rental Assistance	6,382	7,500	8,552	9,257	9,340	8,700
Public Housing Capital Fund	2,439	2,450	2,500	2,040	1,875	2,070
<i>Emergency/Disaster Grants</i>	19	20	20	20	---	---
<i>Resident Opportunities and Self-Sufficiency</i>	40	40	50	50	50	0
Public Housing Operating Fund	4,200	4,455	4,775	4,617	3,962	4,524
HOPE VI	100	120	135	100	---	---
<i>Choice Neighborhoods Initiative</i>			65	65	120	150
Native American Housing Block Grants	630	645	700	649	650	650
Native Hawaiian Housing Block Grants	9	10	13	13	13	13
Housing Opportunities for Persons with AIDS	300	310	335	334	332	330
Community Development Fund	3,866	3,900	4,450	3,501	3,308	3,143
<i>CDBG Formula Grants</i>	3,593	3,642	3,990	3,336	2,948	2,948
<i>Economic Development Initiative Grants</i>	180	165	173	0	---	---
<i>Catalytic Investment Grants</i>				---	---	---
<i>Sustainable Communities Initiative</i>			150	100	---	100
<i>Rural Innovation Fund</i>			25	0	---	---
Brownfields Redevelopment	10	10	18	0	---	---
Energy Innovation Fund			50	0	---	---
HOME Investment Partnership Program	1,704	1,825	1,825	1,607	1,000	1,000
<i>HOME Formula Grants</i>	1,629	1,821	1,825	1,607	998	998
<i>American Dream Downpayment Initiative</i>	10	0	0	0	---	---

FY13 Budget Chart for Selected HUD & USDA Programs

HUD Program (set asides indented)	FY08 Enacted	FY09 Enacted	FY10 Enacted	FY11 Enacted	FY12 Enacted	FY13 President's Budget 2/13/12
Self-Help Homeownership Opportunity Program	26.5	26.5	27	27	14	0
Homeless Assistance Grants	1,586	1,677	1,865	1,901	1,901	2,231
Housing Counseling Assistance	50	65	87.5	0	45	55
Rural Housing and Economic Development	17	26	0	0	---	---
Housing for the Elderly (Section 202)	735	765	825	399	375	475
Housing for Persons with Disabilities (Section 811)	237	250	300	150	165	150
Fair Housing and Equal Opportunity	50	54	72	72	71	68
<i>Fair Housing Assistance Program</i>	26	26	29	28	28	26
<i>Fair Housing Initiatives Program</i>	24	28	43	42	43	41
Healthy Homes & Lead Hazard Control	145	140	140	120	120	120
Policy Development & Research	28	32	48	48	46	52
Total HUD Budget Authority (includes items not listed on this chart)	37,600	41,500	43,581	*	*	*

USDA Program	FY08 Enacted	FY09 Enacted	FY10 Enacted	FY11 Enacted	FY12 Enacted	FY13 President's Budget 2/13/12
Section 514 Farm Labor Housing	28	20	27	26	21	26
Section 515 Rental Housing Direct	70	70	70	70	65	0
Section 516 Farm Labor Housing	10	9	10	10	7	9
Section 521 Rental Assistance	482	903	980	956	905	907

Notes:

> The FY12 Public Housing Operating Fund includes a provision for HUD to offset public housing authority reserves as additional operating funding.

>The following HUD programs also received a total of \$13.6 billion in funding under the American Reinvestment and Recovery Act (enacted on February 17, 2009): CDBG, \$1 billion; Neighborhood Stabilization Program, \$2 billion (in addition to the \$3.92 billion in NSP funding in July 2008 for NSP); Homelessness Prevention Fund, \$1.5 billion; public housing capital fund, \$4 billion; HOME funds exclusively for low income housing tax credit projects, \$2.25 billion; project-based Section 8, \$2 billion; project-based Section 8/Section 202/Section 811 for energy and green retrofits, \$250 million; Native American Housing Block Grants, \$510 million; Native Hawaiian Formula grants, \$10.2 million; Lead Hazard Reduction, \$100 million.

> Policy Development & Research Excludes academic grants.

> The FY10 appropriations bill, H.R. 3288 shows the total FY10 budget authority for HUD as \$46,059.

* Comparable figures not currently available.

HOUSING NEED

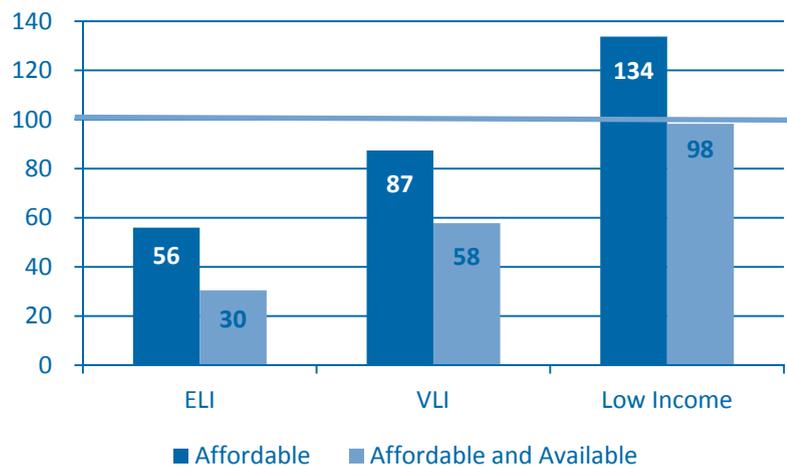
By Megan Bolton, Senior Research Analyst, National Low Income Housing Coalition

There are a variety of different ways to measure the need for affordable housing in this country, and regardless which measurement is used, advocates will find that the need, especially among the lowest income households, is staggering. While there are some signs that the housing market and economy are starting to rebound, these are still extremely difficult times for many Americans and the demand for low-cost rental housing continues to grow while the supply of rental units affordable to the lowest income households shrinks. This has further exacerbated the persistent mismatch that these families face between their incomes and the costs of available housing in the United States.

According to the NLIHC's recent analysis of the 2010 American Community Survey (ACS), there were 9.8 million extremely low income (ELI) renter households (earning at or below 30% of the Area Median Income (AMI) and only 5.5 million units affordable to them (using the standard affordability measure of spending no more than 30% of household income on housing costs). This leads to an absolute shortage of 4.3 million rental homes for these households nationwide. Another way of describing the gap is that for every 100 ELI renters in 2010, there were only 56 units they could potentially live in without spending more than 30% of their income on housing and utility costs (Chart 1). The comparable number in 2009 was 59.

The shortage of affordable housing is most severe among ELI households, but a need also exists among other income groups. Households at or below the very low income (VLI) threshold (50% of AMI) face an absolute deficit of 2.1 million affordable rental units. However, it is important to note that a surplus of 8.5 million affordable units was found for households at the Low Income (LI) level (80% of AMI). This surplus indicates that many more units have been built for this income category than for the lowest income households.

Chart 1: Affordable, and Affordable and Available Units for Every 100 Renter Household at or Below Income Threshold (MMFA 2010)



Source: NLIHC tabulations of 2010 ACS PUMS data

In actuality, the situation is much worse for ELI renters, because many of the units affordable to ELI households are in fact rented and occupied by higher income households. Thus, on a nationwide basis, the shortage of affordable and available rental homes for ELI households is 6.8 million. Nationally, there are only 30 affordable and available rental homes for every 100 ELI renter households; this represents a decline from 33 units in 2009.

Yet again, it is not just ELI households who face this problem. Though the situation improves somewhat when the income threshold is increased, households at the VLI level still face a shortage, with just 58 affordable and available units per 100 renter households at the VLI threshold or below. There were 62 affordable and available units per 100 VLI renter households in 2009. Finally, while in 2009, there was a slight surplus of affordable and available units for renter households at or below the low income (LI) threshold (101 units), there was a slight deficit in 2010, with 98 affordable and available units per 100 LI renters.

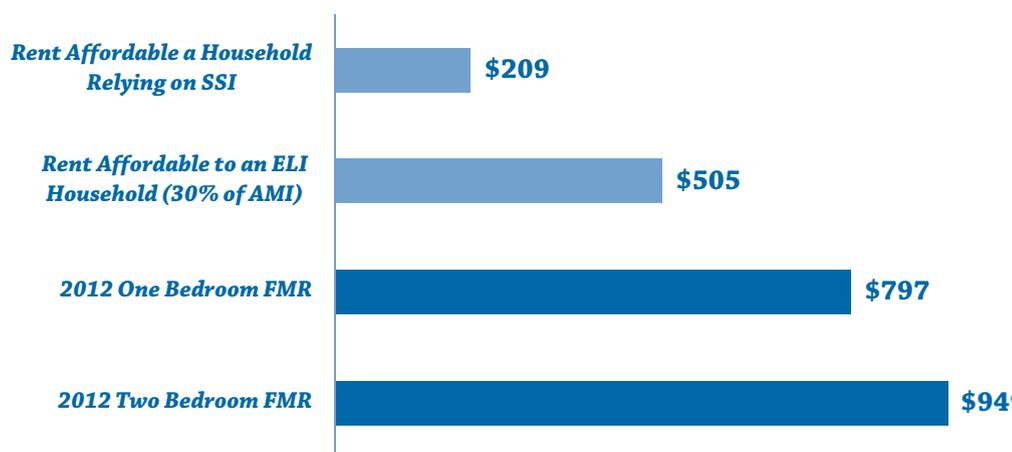
In light of this significant shortage of affordable and available housing, low income renters must make sacrifices in order to make

ends meet. Many end up spending a precariously great proportion of their income on rent. Seventy-six percent of ELI renters and 72% of ELI owners spent more than half of their incomes on housing costs in 2010, according to the ACS, leaving very little for other basic necessities such as food, health care, and transportation. HUD estimated that in 2009 there were 7.1 million households with ‘worst-case housing needs,’ which HUD defines as households earning at or below 50% of AMI who do not receive any housing assistance from the government and who spend over half of their income on housing costs, live in severely substandard housing conditions or both. This was 20% more than the number in 2007.

Beyond paying more than they can afford and living in substandard housing, many households also cope with unaffordable housing costs by doubling and tripling up in units, creating overcrowding. A recent HUD analysis found that in 2009 the rate at which households were moving in with other households had increased 25% from the height of the housing bubble in 2005.

Further indication that renters are struggling to find affordable housing comes from NLIHC’s annual research report, *Out of Reach*, which compares the average wages earned by households to the average rents where they live. This provides a clear picture of how difficult it is to find a decent rental home on local wages. According to *Out of Reach 2012*, there are only two counties in the 50 states and the District of Columbia in which a full-time worker earning the locally prevailing minimum wage could afford a one-bedroom apartment at the Fair Market Rent (FMR). A person would need to earn an hourly wage of \$18.25 in order to afford a two-bedroom rental home at the nation’s FMR of \$949, and the estimated average renter wage among all U.S. private sector workers is only \$14.15. An ELI household can only afford a rent of \$505 a month (Chart 2).

Chart 2: Rent Affordable to ELI Households and Households on SSI Compared to Fair Market Rents, 2012



Source: National Low Income Housing Coalition. (2012). *Out of Reach 2012*.

ELI households include people who work at the low-wage jobs that are so critical to a healthy economy. They are child care providers, nursing home aides, hotel housekeepers, office cleaners, retail clerks, and receptionists. In Denver, CO, families with a total annual income of \$22,790 or less are considered extremely low income. In Birmingham, AL, the annual income of an ELI household is \$18,840 or less, and in Boston, MA, it is \$29,340 or less. ELI households are also often elderly and disabled people whose income is limited to Supplemental Security Income (SSI); the federal SSI benefit level is \$8,386.75 annually in 2012 for an individual and \$12,578.71 for a couple.

Whatever measurement is used, the available data confirm that there is a critical and continual need for expanding the supply of affordable housing and it is imperative that researchers and advocates continue to work together to meet this need. Unfortunately, the situation appears to be getting worse, not better. The U.S. housing market remains in considerable flux, the unemployment rate remains high at 9.4%, and in 2010 the poverty rate rose to 15.1%, the highest rate since 1993. Increases in poverty are directly correlated with increases in homelessness and housing instability. With more and more Americans facing poverty in 2012 and a Congress focused on cutting domestic spending, it seems likely the United States will continue to see an intensifying affordable housing crisis punctuated by rising homelessness.

HOUSING AS A HUMAN RIGHT

By Eric Tars, Director of Human Rights and Children's Rights Programs, National Law Center on Homelessness & Poverty

Recent polling indicates that three-quarters of Americans believe that adequate housing is a human right, and two-thirds believe that government programs need to be expanded to ensure this right. Indeed, as President Obama has stated, "it is not acceptable for children and families to be without a roof over their heads in a country as wealthy as ours."

Housing advocates in the United States can and should use international human rights standards to reframe public debate, craft and support legislative proposals, supplement legal claims in court, advocate in international fora and support community organizing efforts. Numerous United Nations (UN) human rights experts have recently visited the United States or made comments directly bearing on domestic housing issues including affordable and public housing, homelessness and the foreclosure crisis, often providing detailed recommendations for federal- and local-level policy reforms. In 2011, after years of advocacy, the Administration embraced the language of housing as a human right. In 2012, advocates will work to consolidate these gains and push for action to accompany the rhetoric.

HISTORY

In his 1944 State of the Union address, Franklin Roosevelt declared that the United States had accepted a "second Bill of Rights," including the right to a decent home. In 1948, the United States signed the Universal Declaration of Human Rights, recognizing housing as a human right.

The Universal Declaration is just a non-binding declaration, so the right to housing was codified in binding treaty law in the International Covenant on Economic, Social and Cultural Rights (ICESCR) in 1966. The United States has signed, but not ratified, the ICESCR, and thus is not strictly bound to uphold the right to housing as framed in that document. However, the United States ratified the International Covenant on Civil and Political Rights (ICCPR) in 1992 and the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) in 1994, both of which recognize the right to be free from discrimination, including in housing, on the basis of race, gender, disability, and other status.

The United States signed another declaratory document, the Habitat Agenda, in 1996, committing itself to more than 100 housing-related goals. In 2006, the United States approved the UN Basic Principles and Guidelines on Development-Based Evictions, which provides useful standards for ensuring participation of poor and minority groups in zoning and development decisions affecting them.

In recent years, advocates organized several high-profile visits by human rights monitors to examine United States housing issues. The UN-HABITAT Advisory Group on Forced Evictions and UN Special Rapporteur on the Right to Adequate Housing visited in 2009, and the Special Rapporteur on the Right to Water and Sanitation visited in 2011. In all these visits, monitors met directly with local and national advocates, government officials, and media. The visits resulted

in extraordinarily detailed assessments of housing policies in the United States and contain specific conclusions and recommendations based in large part on recommendations from United States advocates, ranging from one-for-one replacement of subsidized housing units to condemning criminalization of homelessness as potentially cruel, inhuman and degrading treatment.

Other countries have made significant headway in making the right to housing real and legally enforceable. France, Scotland, South Africa and other countries have adopted a right to housing in their constitutions or legislation, leading to improved housing conditions, and should serve as models for domestic advocates.

ISSUE SUMMARY

According to the UN Committee on Economic, Social and Cultural Rights, which oversees the ICESCR, the human right to housing consists of seven elements: (1) security of tenure; (2) availability of services, materials, and infrastructure; (3) affordability; (4) accessibility; (5) habitability; (6) location; and (7) cultural adequacy.

In the human rights framework, every right creates a corresponding duty on the part of the government to respect, protect and fulfill the right. Having the right to housing does not mean that the government must build a house for every person in America and give it to them free of charge. It does, however, allocate ultimate responsibility to the government for ensuring all people have access to adequate housing, whether through devoting resources to public housing and vouchers, by creating incentives for private development of affordable housing such as inclusionary zoning or the Low Income Housing Tax Credit, through market regulation such as rent control, through legal due process protections from eviction or foreclosure, ensuring habitable conditions through

housing codes and inspections or by other means. Contrary to our current framework which views housing as a commodity to be determined primarily by the market, the right to housing framework gives advocates a tool for holding each level of government accountable if all those elements are not satisfied.

Scotland provides a good example of the difference the right to housing approach can make. The Homeless Etc. (Scotland) Act of 2003 includes the right for all homeless persons to be immediately housed and the right to long-term, supportive housing for as long as it is needed. The law also includes an individual right to sue if one believes these rights are not being met, and requires jurisdictions to plan for development of adequate affordable housing supplies. Complementary policies include the right to purchase public housing units and automatic referrals by banks to foreclosure prevention programs to help people remain in their homes. All these elements work together to ensure the right to housing is upheld.

WHAT ADVOCATES NEED TO KNOW NOW

United States groups are using international mechanisms and standards to promote housing rights at home. Over the course of 2010, the United States government prepared for, and received, its first-ever review by the UN Human Rights Council under the Universal Periodic Review mechanism. Hundreds of advocates testified on housing rights concerns to representatives from HUD, and the Departments of Health & Human Services and Justice, among others, at a dozen consultations from coast-to-coast. In March 2011, the United States government formally accepted a number of specific housing, homelessness, and poverty-related recommendations from the Council, and HUD stated, “The UN’s Universal Periodic Review process helps to inform and influence our nation’s effort to dramatically increase the amount of affordable housing, especially for those struggling to find a place to call home.”

The United States government submitted its periodic report under the International Covenant on Civil and Political Rights to the Human Rights Committee in December 2011. The Committee’s process affords advocates the opportunity to raise concerns, particularly around the criminalization of homelessness and the disparate racial and gender impacts of housing rights violations, and the National Law Center on Homelessness & Poverty is coordinating a non-governmental response.

In 2011, the Occupy movement brought a new level of attention to issues of poverty and public use of public space, and in places such as Eugene, OR, advocates are now using this attention to redirect policy toward homeless persons. Groups such as Take Back the Land are organizing eviction and foreclosure defenses and building takeovers as direct actions to draw attention to, and implement, the human right to housing.

TIPS FOR LOCAL SUCCESS

Local groups wishing to build the movement to recognize the human right to housing in the United States can use international standards in many different ways to promote policy change, from rallying slogans to concrete legislative proposals. Groups can start with a non-binding resolution stating that their locality recognizes housing as a human right in the context of the ongoing economic and foreclosure crisis, such as that passed by the Madison, WI city council in November 2011. Advocates can then build on that commitment to help pass more substantive legislation, or use international standards to measure local violations of housing rights. Using international mechanisms, such as the review of the United States by the Human Rights Committee, can also help cast an international spotlight on local issues.

WHAT TO SAY TO LEGISLATORS

It is important for legislators and their staff to hear their constituents say, “Housing is a human right,” as an initial step in reframing the conversation around housing. In talking about human rights, it is often helpful to start with the United States origins and acceptance of these rights in Roosevelt’s ‘Second Bill of Rights’ and the polling data cited above. Using the recommendations made by human rights monitors reinforces your message by lending international legitimacy. A full list of international recommendations on United States housing concerns including homelessness, public and subsidized housing, fair housing, foreclosures, and many other topics, is available on the National Law Center on Homelessness & Poverty’s wiki website below.

FOR MORE INFORMATION

National Law Center on Homelessness & Poverty • 202-638-2535 • nlchp@nlchp.org • www.nlchp.org • wiki.nlchp.org

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ADVOCACY TOOLS

HOW LAWS ARE MADE

The House and Senate processes are replete with rules and procedures to hasten, thwart and kill legislative proposals. The political power and will of those seeking to use these tools can prove critical to their success. The role of congressional staff cannot be overstated. Members of Congress have personal staff in their individual offices. Committee and subcommittee leadership (in both the majority and the minority) have separate committee staff. Both personal and committee staff have significant input in the legislative process.

Laws may be initiated in either chamber of the Congress, the House of Representatives or the Senate. This description, found on the web site of the Government Printing Office (GPO), tracks a bill introduced in the House of Representatives:

1. When a Representative has an idea for a new law, he or she becomes the sponsor of that bill and introduces it by giving it to the clerk of the House of Representatives or by placing it in a box, called the hopper. The clerk assigns a legislative number to the bill, with H.R. for bills introduced in the House of Representatives and S. for bills introduced in the Senate. GPO then prints the bill and distributes copies to each representative.
2. Next, the bill is assigned to a committee by the Speaker of the House so that it can be studied. The House has standing committees, each with jurisdiction over bills in certain areas. The standing committee (or often a subcommittee) studies the bill and hears testimony from experts and people interested in the bill. The committee then may release the bill with a recommendation to pass it, or revise the bill and release it, or lay it aside so that the House cannot vote on it. Releasing the bill is called reporting it out, while laying it aside is called tabling.
3. If the bill is released, it then goes on a calendar (a list of bills awaiting action). Here the House Rules Committee may call for the bill to be voted on quickly, limit the debate, or limit or prohibit amendments. Undisputed bills may be passed by unanimous consent or by a two-thirds majority vote if members agree to suspend the rules.
4. The bill then goes to the floor of the House for consideration and begins with a complete reading of the bill (sometimes this is the only complete reading). A third reading (title only) occurs after any amendments have been added. If the bill passes by simple majority (218 of 435), the bill moves to the Senate.
5. In order to be introduced in the Senate, a Senator must be recognized by the presiding officer and announce the introduction of the bill. Sometimes, when a bill has passed in one chamber, it becomes known as an Act; however, this term usually means a bill that has been passed by both chambers and becomes law.
6. Just as in the House, the bill is then assigned to a committee in the Senate. It is assigned to one of the Senate's standing committees by the presiding officer. The Senate committee studies and either releases or tables the bill just like the House standing committee.
7. Once released, the bill goes to the Senate floor for consideration. Bills are voted on in the Senate based on the order in which they come from the committee; however, an urgent bill may be pushed ahead by leaders of the majority party. When the Senate considers the bill, it can be debated indefinitely. When there is no more debate, there is a vote on the bill. In many cases, a simple majority (51 of 100) passes the bill.
8. The bill now moves into a conference committee, which is made up of members from each chamber of the Congress. The conference committee works out any differences between the House and Senate versions of the bill. The revised bill is sent back to both chambers for their final approval. Once approved, the bill is printed by the GPO in a process called enrolling. The clerk from the introducing chamber certifies the final version.
9. The enrolled bill is now signed by the speaker of the House and then the vice president. Finally, it is sent for presidential consideration. The president has 10 days to sign or veto the enrolled bill. If the president vetoes the bill, it can still become a law if two-thirds of the Senate and two-thirds of the House then vote in favor of the bill and override the veto.

FOR MORE INFORMATION

How a Senate Bill Becomes a Law, from the U.S. Senate: www.senate.gov/reference/resources/pdf/legprocessflowchart.pdf

Tying it All Together: Learn About the Legislative Process, from the U.S. House of Representatives: www.house.gov/house/Tying_it_all.shtml

INTRODUCTION TO THE FEDERAL REGULATORY PROCESS

When Congress changes an existing law or creates a new one, federal agencies such as HUD usually must implement the changes or the new law by creating a new regulation or modifying an existing one. In addition, federal agencies can review existing regulations and amend them even when there have been no changes to the underlying law. Both the creation of a new regulation and the modification of an existing regulation provide advocates with an opportunity to shape policy. Once a final regulation, or rule, is adopted, it has the force of law.

Congress passes legislation and the President, by signing that legislation, turns it into a law. Usually, these laws spell out the general intent of Congress but do not include all of the technical details important to achieve Congress' wishes and implement the law. Regulations add those details.

Two publications are keys to the federal regulatory process. The *Federal Register* is a daily publication that contains proposed regulations, final rules, and other official notices and documents issued by the executive branch. All final regulations published in the *Federal Register* are eventually gathered together, or 'codified,' in the Code of Federal Regulations (CFR).

SUMMARY OF THE FEDERAL REGULATORY PROCESS

Proposed regulations. In order to implement laws, Congress gives federal agencies, such as HUD, the power to write rules to interpret laws and enforce both the laws and their interpretation of them. When housing law is created or modified, HUD, with input from the Office of Management and Budget (OMB), will draft a proposed rule for comment. This proposed rule is then published in the *Federal Register*. The *Federal Register* notice will specify when comments are due and how comments can be filed. Usually, the proposed rule will establish a 60-90 day comment period, but the time can be shorter or longer.

Final regulations. Once the comment period on a proposed rule is closed, HUD considers all comments and will, as appropriate, make changes in the proposed rule. Once these changes are complete, and after a review by OMB, HUD publishes a final rule.

In the preamble to the final rule, HUD must present all meaningful comments and explain why each was accepted or rejected. In addition to the actual text of the changed or new regulations, the final rules must state a date when they will go into effect, generally 30 or 60 days in the future.

Other regulatory options. In addition to proposed and final rules, the regulatory process can occasionally include:

- **Advanced Notice of Proposed Rulemaking (ANPR):** HUD can ask for information from the public to help it think about issues before developing proposed regulations.
- **Interim Final Rules:** HUD can issue regulations that are to be followed as if they are final, yet ask for continued public comment on some parts of the rules. Subsequent final rules can include changes based on any additional public comment.
- **Direct Final Rules:** HUD can issue regulations thought to be minor and non-controversial.
- **Negotiated Rulemaking:** A seldom-used approach which engages knowledgeable people to discuss an issue and negotiate the language of a proposed regulation which is then submitted to the *Federal Register*.
- **Petition for Rulemaking:** A process by which anyone can submit suggested regulations, along with supporting data and arguments in support of the suggestions. If HUD agrees, it will publish proposed rules; if HUD denies the petition, it must be in writing and include the basis for denial.

HOW TO FIND PROPOSED AND FINAL REGULATIONS IN THE FEDERAL REGISTER

The Government Printing Office (GPO) publishes the *Federal Register* and the CFR. The main web site for the GPO is www.gpoaccess.gov. The search feature can be used to find proposed and final regulations on specific topics. *Federal Register* notices for both proposed and final rules can be tracked by subscribing to a daily email of the table of contents of the *Federal Register* at www.gpoaccess.gov/fr. The public can read and copy comments made by others at HUD Headquarters, or at www.regulations.gov. The web page www.regulations.gov also provides all rules open for comment and enables electronic submission of comments.

The Code of Federal Regulations. All final rules published in the *Federal Register* are eventually collected and placed in the Code of Federal Regulations. There are 50 titles in the CFR, each representing a broad topical area. The HUD-related regulations are in Title 24. Each title is divided into parts that cover specific program areas.

The traditional approach to finding rules in the CFR is to go to www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1. On this page is a list of all of the CFR titles. Clicking on the most recent year for Title 24 will bring up Title 24 and all of its parts. If the part number is unknown, most HUD programs list the applicable regulations on the program's web site at www.hud.gov.

Another approach is to go to www.gpoaccess.gov/databases.html and click on Electronic Code of Federal Regulations (e-CFR), which brings up the e-CFR home page. On the e-CFR home page, select Title 24 from the dropdown box and a list of HUD-related parts will appear. The e-CFR is updated frequently, so it should contain changes made by final rules in the *Federal Register* before those changes are placed in the formal Code of Federal Regulations in April of each year. The Office of the *Federal Register* stresses that the rules available there are not an official legal edition of the CFR.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

Office of the *Federal Register* • 202-741-6000 • www.archives.gov/federal-register

Regulations.gov • 877-378-5457 • www.regulations.gov

e-CFR • ecfr@nara.gov • www.gpoaccess.gov/databases.html

L LOBBYING BY 501(C)(3) ORGANIZATIONS

Contrary to what many nonprofits believe, 501(c)(3) organizations may lobby in support of their organization's charitable mission. How much lobbying the organization can do depends on how the organization chooses to measure its lobbying activity. There are two options to determine lobbying limits for 501(c)(3)s: the insubstantial part test and the 501(h) expenditure test.

INSUBSTANTIAL PART TEST

The insubstantial part test automatically applies unless the organization elects to come under the 501(h) expenditure test. The default insubstantial part test requires that a 501(c)(3)'s lobbying activity be an "insubstantial" part of its overall activities. Unfortunately, the Internal Revenue Service and courts have been reluctant to define the line that divides substantial from insubstantial. Most lawyers agree that if up to 5% of an organization's total activities are lobbying, then the organization is generally safe. The insubstantial part test is an activity-based test that tracks both activity that the organization spends money on, as well as activity that does not cost the organization anything (for example, when unpaid volunteers lobby on behalf of the organization). There are no clear definitions of lobbying under the insubstantial part test.

501(H) EXPENDITURE TEST

Fortunately, there is an alternative test that provides much clearer guidance on how much lobbying a 501(c)(3) can do and what activities constitute lobbying. The 501(h) expenditure test was enacted in 1976 and implementing regulations were adopted in 1990. This choice offers a more precise way to measure an organization's lobbying limit because measurements are based on the organization's annual expenditures. The organization is only required to count lobbying activity that actually costs the organization money (i.e., expenditures); therefore, activities that do not incur an expense do not count as lobbying. A 501(c)(3) can elect to use these clearer rules, by filing a simple, one-time form – IRS Form 5768 (available at www.irs.gov).

To determine its lobbying limit under the 501(h) expenditure test, an organization must first calculate its overall lobbying limit. This figure is based on an organization's 'exempt purpose expenditures,' which, generally, is the amount of money an organization spends per year. Once an organization has determined its exempt purpose expenditures, the following formula is applied to determine the organization's overall lobbying limit:

20% of the first \$500,000
+15% of the next \$500,000
+10% of the next \$500,000
+5% of the remaining

There are two types of lobbying under the 501(h) expenditure test: direct lobbying and grassroots lobbying. An organization can use its entire lobbying limit on direct lobbying, or if it chooses to engage in grassroots lobbying, it can only use one-fourth of the overall lobbying limit on grassroots lobbying.

There is a \$1 million yearly cap on an organization's overall lobbying limit. This means that if an organization chooses to measure its lobbying under the 501(h) expenditure test, it also agrees not to spend more than \$1 million on lobbying activity each year.

Direct lobbying is a communication with a legislator (federal, state or local) or legislative staff member that refers to specific legislation and takes a position on the legislation. Remember that a legislator also includes the president or governor when you are asking them to sign a bill into law or veto a bill and officials who have the ability to influence legislation.

Grassroots lobbying is a communication with the general public that refers to specific legislation and takes a position on the legislation, and the communication must have a call to action. A call to action refers to four different ways the organization asks the public to respond to its message: (1) asking the public to contact their legislators; (2) providing the contact information (for example, the phone number) for a legislator; (3) providing a mechanism for contacting legislators (for example, a tear-off postcard or email link sending a message directly to legislators); or (4) listing those voting, undecided or opposed to specific legislation. Identifying legislators as sponsors of legislation is not a call to action. Fortunately, the 501(c)(3)'s members are treated as a part of the organization, so urging them to contact public officials about legislation is considered direct, not grassroots, lobbying.

Ballot Measures. Communications with the general public that refer to and state a position on ballot measures (including, for example, referenda, ballot initiatives, bond measures and constitutional amendments), count as direct lobbying, not grassroots lobbying, because the public are presumed to be acting as legislators when voting on ballot measures.

Lobbying Exceptions. There are some specific exceptions for activities that otherwise might appear to be lobbying under the 501(h) expenditure test. It is not lobbying to prepare and distribute a substantive report that fully discusses the pros and cons of a legislative proposal (even if the analysis comes to a conclusion about the merits of that proposal). The report cannot ask readers to contact their legislators or provide a mechanism to do so and it must be widely distributed to those who would both agree and disagree with the position (for example, through an organization's web site and to all members of the legislature). Nor is it lobbying to respond to a written request for testimony or assistance at the request of the head of a government body (for example, a legislative committee chair). It is also not lobbying for an organization to support or oppose legislation if that legislation impacts its tax exempt status or existence. This lobbying exception is narrow and should be used with caution after consultation with an attorney. Broad examinations and discussions of broad social, economic and similar problems are also not considered lobbying. For example, discussions that do not refer to specific legislation if they are used to communicate with a legislator or if such discussions communicate with the general public and express a view on specific legislation, they do not have a call to action. Litigation and attempts to influence administrative (regulatory) decisions also fall outside definitions of lobbying, as do enforcement of existing laws and executive orders.

Recordkeeping. A 501(c)(3) organization, when it is measuring its lobbying under the insubstantial part test or the 501(h) expenditure test, is required to reasonably track its lobbying in a way sufficient to show that it has not exceeded its lobbying limits. There are three cost centers that 501(h)-electing organizations must count toward their lobbying limits: staff time, direct costs and overhead. Examples of each cost center include:

- Staff Time: Paid staff time spent meeting legislators, preparing testimony, or encouraging others to testify.
- Direct Costs: Printing, copying or mailing expenses to get the organization's message to legislators.
- Overhead: The pro-rated share of rented space used in support of lobbying (a good way to handle this is to pro-rate the cost based on the percentage of staff time spent lobbying).

FOR MORE INFORMATION

Alliance for Justice publishes a detailed, plain-language guide to the 501(c)(3) lobbying rules called *Being a Player: A Guide to the IRS Lobbying Regulations for Advocacy Charities*. Another AFJ publication, *The Rules of The Game: A Guide to Election-Related Activities for 501(c)(3) Organizations (Second Edition)*, reviews federal tax and election laws which govern nonprofit organizations in an election year, and explains the right (and wrong) ways to organize specific voter education activities. AFJ also publishes guides on related topics, such as on influencing public policy using social media, and offers workshops and technical assistance for nonprofit organizations.

Alliance for Justice • www.afj.org • 202-822-6070

L LOBBYING & ADVOCACY TIPS

While some think that there is a mystique to lobbying, it really comes down to talking to your Member of Congress or a staff person for your Member of Congress about an issue of concern to you. Every American has that right. As a housing advocate, you can, and should, lobby your congressional delegation. It is important to remember that you do not have to be an expert on housing policy to lobby. The experience and information you can provide on the housing situation in your Member's district is very valuable to him or her. Indeed, you are the expert when it comes to what is going on in your district or state. And it is the responsibility of Members of Congress and their staff to be responsive to the concerns of their constituents.

VISITING YOUR MEMBER OF CONGRESS

If you have never lobbied before, it may help to think of the visit as a 20-minute conversation that will give both your organization and your Member added insight into where each of you stands on a given topic.

A face-to-face meeting with a Senator or Representative is often the most effective way to get your voice heard. However, given the schedule of most Members, you may end up meeting with the staff person who deals with housing issues. Do not be disappointed if this is the case. Staffers have significant input into many policy decisions, so getting to know the staff person and building a relationship with him or her is crucial.

Setting the meeting. If you know you will be visiting D.C., call in advance for an appointment. If you do not know your Member's phone number, call the U.S. Capitol Switchboard at 202-224-3121 and ask to be transferred. Ask to meet with your Member or his or her staff person who works on housing issues. Tell the person who sets up your appointment: 1) where you are from and what organization you represent; 2) the purpose of the meeting; and 3) the number of people who will be attending the meeting. You may be asked to fax in a request for the meeting rather than giving the information over the phone. E-mail the staff person you will meet with to confirm the meeting date, time and purpose and to send any information you think would be useful for the Member or staff person to review in advance. The day before the visit, call to confirm the appointment.

Planning the meeting. A planned meeting will be more relaxed and productive. Before you go, set an agenda based on how much time you have - usually no more than 20 minutes or half an hour. Decide what issues you'd like to discuss (usually no more than two or three), how to frame your message positively, and what specific action or actions you would like your Member to take. Unless you have met with them before, do not assume that Members and staff understand the problem. It is best to start with a description of the problem in your community, and then move on to solutions.

In deciding how to frame your message, it helps to know your Member's professional interests and personal concerns, including congressional committee assignments, memberships and affiliations (often listed on a Member's web site). This may help you gauge what your Member's priorities are and why he or she should be interested in what you have to say. It also helps to know how your Member voted on housing issues. You can review roll call votes on key bills at <http://thomas.loc.gov>. If the Member's record is favorable, remember to acknowledge his or her past support during the meeting. If a record is unfavorable you may express your concern, but remember that today's opponent may be tomorrow's ally.

Gather written materials to leave with the staff person. To remind Members and staff of the extent of the housing crisis in their districts, copy pages from *Out of Reach* that show the hourly housing wage in each county and Congressional District Profiles that show housing affordability data for renters by Congressional District, as well as other NLIHC research reports, (or download data from www.nlihc.org). For information on the National Housing Trust Fund as part of the solution, download a copy of the NHTF Frequently Asked Questions and the list of housing units and jobs created by every \$1 billion investment in the NHTF at www.nhtf.org. Finally, decide who from the group will lead the meeting and what everyone else's roles will be.

The meeting. Be punctual! Security at the House and Senate office buildings can be tight and, if there are hearings or other events in those buildings, the lines to enter the building can be long, so be sure to leave extra time. Be sure also to leave behind items that may trigger a security concern.

Begin the meeting by introducing the attendees and stating the purpose of the meeting. As you raise your first issue, state your views clearly. Remember to start with the problem and then to move on to solutions. Include personal stories and experiences to

make key points. Have concrete and specific suggestions for action, such as supporting, sponsoring, co-sponsoring or opposing a bill.

Be honest. If you are asked a question to which you do not know the answer, tell your Member or staff person you will find out the answer and get back to him or her soon. In fact, rather than feeling bad about not having the answer or information, think of it as an excellent reason to get back in touch with your Member or staff person later. Do not make a scapegoat of other programs in making your point. If the Member or staff person suggests that you engage in a discussion of another program, do not get off point. Come back to your agenda. Keep in mind that the Member or the staff person may have to cut the meeting short, so stick carefully to your agenda. Do not do all of the talking. Listen and get a sense of your Member's views on the issue. The Member might have legitimate concerns about the issue that your group should address.

Before closing the meeting it is important to know where a Member stands on the issues and to try and get an answer on specific legislation even if it is 'maybe' or 'no.' Information is important as it will enable you to develop any follow up that must be done. Leave the relevant materials. Thank the Member or the staff person for his or her time.

Keep the door open for further discussion and lay the foundation for future contact. Even if your Member seems to be leaning against your position, do not write him or her off. Consider your meeting an opportunity to build your relationship with the staff person and to educate the office about your organization's work. Every meeting is an investment that will pay off in the future.

Following your visit. Send a letter or email to your Member and his or her staff thanking them for their time and reaffirming your views and any agreements made in the meeting. Send any information or materials you agreed to provide. If you lobbied on an issue being tracked by your state coalition or NLIHC, report the results of the meeting to them. This is especially crucial on an issue such as the National Housing Trust Fund. Monitor your Member's actions on your issue. Continue to communicate with him or her as the issue advances.

WRITING YOUR MEMBER OF CONGRESS

Letters can also be effective in letting your Representative or Senator know how you feel about issues. Some offices have said that a letter from a constituent is viewed as representing 100 to 200 voters from the Member's district! When writing, make sure you state the issue concisely and specifically, using bill numbers where applicable. To make sure the correct person receives your letter, address it to the attention of the housing staff person. Because security concerns mean that letters are significantly delayed, by two to three weeks sometimes, in reaching Congress, it is a good idea to fax as well as mail your letter. Call your Member's office to get his or her fax number.

Handwritten letters can be especially effective. If you are having a meeting of agency staff, board members, clients, etc., start the meeting by handing out blank paper and having everyone take 10 minutes to handwrite a letter to his or her Member. You can provide a sample letter, but encourage people to describe the problem as they see it. Collect the letters and then fax and mail them over the course of a few days. Address letters as follows:

Senate

The Honorable (full name)
Attn: Housing Staffer
United States Senate
Washington, D.C. 20510

House

The Honorable (full name)
Attn: Housing Staffer
United House of Representatives
Washington, D.C. 20515

CALLING YOUR MEMBER OF CONGRESS

Calls can be especially effective if a staff person receives several calls on the same topic within a few days of each other, so you may want to encourage others in your district to call at the same time you do. When you call, ask to speak to the staff person who deals with housing issues. Be sure to say who you are, where you are from and what organization or constituency you represent. When possible, have names and numbers of bills you are calling about. The days before a key vote or hearing are critical decision times and an especially effective time to call. You can locate the address and phone number of your Member by going on the NLIHC web site and using our Contact Congress option. A Member of Congress may also be contacted through the Capitol Switchboard at 202-224-3121.

EMAILING YOUR MEMBER OF CONGRESS

Unless you are using an email service like the one on the NLIHC website, it is generally not a good idea to attempt to correspond with your Member using email. Members can receive upwards of 50,000 emails a month and many of these messages will never be

read by the appropriate staff. But once you have established a relationship with a staff person and have that staff person's direct email address, email can be an easy and effective way to keep in touch.

OTHER ADVOCACY IDEAS

Visits, letters and calls are not the only ways to communicate your positions to Congress. You can also:

- Invite your Representative or Senator to speak at your annual meeting or conference.
- Organize a tour for your Member of your organization's projects that feature real people telling their success stories.
- Get media coverage. Organize a tour for a local reporter or set up a press conference to tie your issue into a local event. You can also call in to radio talk shows and write letters to the editor of your local paper. Or call your newspaper's editorial page editor and set up a meeting to discuss the possibility of the paper's support for your issue. If you get an editorial or other press coverage, be sure to send the clippings to your Member's office.
- Elicit the support of potential allies who are influential with your Member - your city council, mayor, local business or religious leaders.
- Finally, be creative. How else can you build a relationship with your Member and increase public support for your issues?

FEDERAL DATA SOURCES FOR HOUSING ADVOCACY

By Megan Bolton, Senior Research Analyst, National Low Income Housing Coalition

Data from the 2010 Census are currently being released and analyzed, and while the decennial census is a very well-known and comprehensive source of data, the information it provides on housing is limited. Fortunately there are a wide variety of other federal data sources that provide accurate, reliable and timely data on the housing, demographic and socioeconomic characteristics of the United States, from the national to the neighborhood level. Such data are critical to advocates attempting to paint a clear picture of the need for affordable housing in their communities, and of the populations hit hardest by a lack of affordable housing.

ISSUE SUMMARY

The Census. The U.S. Constitution mandates that a count of every American resident be conducted every ten years in order to accurately apportion Members of Congress among the states. The decennial census is the only comprehensive count of the U.S. population (see table on pages 30 - 31), as it has been since the first census in 1790. The Census Bureau sets out to achieve a full count of the population by distributing a questionnaire requesting basic demographic information (e.g., age, sex, race) to all U.S. households and to all individuals living in group quarters (e.g., military barracks, nursing homes, college dormitories, prisons, etc.) every ten years. Census figures describe the U.S. population at a specific point in time (e.g., April 1) during the census year.

While in recent years there have been growing concerns about undercounting in poor and minority urban populations, the decennial census conducted by the Census Bureau is the official source for counts of the number of people and houses in the United States, and it is used to apportion congressional representatives among the states, draw legislative districts, determine the number of electoral votes assigned to each state, and distribute federal funds.

American Community Survey. Historically during the decennial census, one in six households received an expanded questionnaire, or 'long form,' that also included specific questions regarding a household's income, education, employment, and other socioeconomic characteristics along with questions about their housing. While it continues to conduct a census every ten years as constitutionally mandated using the 'short form,' the Bureau replaced the survey component of the decennial census (i.e., the long form) with the American Community Survey (ACS) in 2010.

Under development since the mid-1990s, the ACS has produced annual estimates for every jurisdiction with more than 250,000 residents since 2000. (Full data from the first two years are available through the 2000 and 2001 Supplemental Surveys.) The sample size was expanded from 800,000 to three million households when data were collected in 2005; as a result, one-year estimates for jurisdictions as small as 65,000 residents in the 50 states, the District of Columbia, and Puerto Rico have been available since the release of the 2005 data. In addition to these one-year estimates, the 2007 data release was the first to include estimates based on three years of data for all areas with a population greater than 20,000. Since then, both one- and three-year estimates have been released every year. And in 2010 the Bureau was able to release the first five-year estimates (2005-2009) for areas as small as block groups. The release of five year data means that we will no longer have to wait a decade to see the characteristics of very small areas. In 2006, the survey was expanded to include the population living in group quarters; as a result, 2006 ACS estimates and those that follow are considered more comparable with decennial census estimates.

As is true with all surveys, including the long form component of the decennial census that it will replace, there are margins of error associated with ACS data because estimates depend on the responses of a sample of a population, rather than every individual. Furthermore, since the sample is based on official census population estimates, the decennial census and the Bureau's Population Estimates Program remain the preferred source for official population counts. Unlike the point-in-time nature of the decennial census, the ACS produces period estimates and is thus ideally suited for describing the characteristics of a population during the data collection period and for measuring annual differences across geography and through time.

American Housing Survey. The American Housing Survey (AHS) is the only comprehensive national survey specifically focused on housing. This survey is funded and directed by HUD's Office of Policy Development and Research (PD&R), but is conducted by the Census Bureau. The survey is longitudinal in nature, tracking changes in the same housing units over time, and it produces national and regional estimates on housing characteristics every two years. A metropolitan area ('metro') survey is administered in addition to the national survey. Both surveys are conducted during a 3- to 7-month period. The metro survey program has

changed many times, mostly in response to changes in the AHS budget. In 2007 the number of metropolitan areas to be over-sampled as part of the national survey was reduced to 21, with seven surveyed every two years. Prior to that, during the period 1985-2004, the AHS surveyed 41 areas.

National data from the 2009 AHS was released in summer 2010 along with data for five metropolitan areas and two independent areas, Seattle and New Orleans. The New Orleans survey was done at the request of the Administration and included special questions about Hurricane Katrina. The Bureau recently completed the field work for the 2011 AHS and will be releasing national and metropolitan data early in the fall of 2012.

In 2010 HUD and the Census Bureau proposed a redesign of the AHS. Under the proposed changes, the number of metropolitan areas studied would increase to 30 each year in the 2011 and 2013 surveys, for a total of 60 areas that would be revisited every four years. Further proposed changes include a streamlining of the survey itself, and a system of rotating topical modules that will appear intermittently. Some examples of topical modules include transportation and walkability, healthy homes, housing modifications to improve accessibility, energy efficiency and disaster planning. The most significant changes will occur in the 2015 survey, after the decennial census data are available, because a new sample will be drawn for the first time since 1985, enabling HUD and the Census Bureau to present data in terms of current metropolitan geography and will give a break to the returning respondents who have been in the survey in some cases for 30 years.

Rental Housing Finance Survey and Home Mortgage Disclosure Act. A focus on housing finance, rather than people or units, sets the Rental Housing Finance Survey (RHFS) and Home Mortgage Disclosure Act (HMDA) data apart from the Census Bureau efforts discussed above. The RHFS replaces the Residential Finance Survey (RFS), which was a decennial investigation of the financial characteristics of all residential properties. The RHFS focuses on the financial, mortgage and property characteristics of multifamily rental properties and includes questions that are the same or similar to questions on the rental housing portion of the 2001 RFS. The first RHFS will be conducted in 2012. HMDA is an annual collection of data from disclosure filings made available to advocates to monitor the lending patterns of financial institutions. At the time of publication, the most recent HMDA data available covered mortgage lending that occurred in 2010.

Current Population Survey. The Current Population Survey, or CPS, is distinct in that it does not produce any estimates of housing characteristics. It is mentioned here because it includes an Annual Social and Economic (ASEC) Supplement, which is the source of official estimates of income and health insurance coverage of the non-institutionalized population (i.e., individuals not considered 'patients' or 'inmates') and is the primary source of data on the annual poverty status of U.S. residents. For this reason, the CPS is a very important source of data for low income housing advocates.

Comprehensive Affordability Strategy Data (CHAS). Since 1990, the Census Bureau has provided HUD with custom tabulations of decennial census data (in 1990 and 2000) or ACS data (2005-2007 and 2006-2008) which allows users to gain an understanding of the housing problems and housing needs of American households, and particularly of low income households. CHAS data use HUD-defined income limits and can therefore illustrate the number of households at various income levels in need of housing assistance. It further breaks this data down by a number of characteristics such as race, family size, age and disability status. This data is primarily used by local governments and community planners when they are creating a Consolidated Plan for their region. The CHAS data from 1990 and 2000 was available at every geographic level down to the block group, but the most recent CHAS data (2006-2008) is only available down to the city level. Once the Census Bureau provides HUD with a special tabulation of the 5-year ACS data, users will be able to drill down to the census tract level. The 5-year CHAS data is expected to be available in 2012. This dataset is a very valuable tool for advocates who wish to see the affordability mismatch in their state, county or city, as well as the number of households experiencing unaffordable cost burden or other housing problems.

Data on the subsidized rental stock. HUD makes publicly available information on the location and characteristics of a subset of the nation's federally subsidized rental housing stock. While HUD does not produce a comprehensive, integrated dataset, it does provide project-level files for the following programs: project-based Section 8 and other federal rent subsidies for multifamily housing; FHA insured and subsidized mortgages; Sections 202; and the Low Income Housing Tax Credit program. In addition to data for these individual programs, HUD produces a dataset called *A Picture of Subsidized Households* ('Picture'), which includes public housing in addition to the previously mentioned files. Picture also provides data on the characteristics of households living in public and assisted housing. The most recent version of this dataset reflects data collected in 2008. HUD is currently working on the 2009 and 2010 versions.

With an understanding of the programs, database skills, and significant effort, advocates can integrate these datasets to create a partial database of the subsidized housing in a particular geography. Thanks to data released by HUD in 2008 and updated on a quarterly basis, the database can include the three most recent Real Estate Assessment Center (REAC) scores that quantify the

properties' physical conditions. Information for projects receiving subsidies from the following programs will be omitted, however, because HUD does not make it available to the public: USDA Rural Housing Services programs; HOME; multifamily housing bonds; Section 8 Moderate Rehabilitation ('Mod Rehab'); project-based vouchers; HOPWA; and McKinney-Vento permanent housing.

Fair Market Rents. HUD updates Fair Market Rents (FMRs) annually for every metropolitan area and rural county in the U.S. Although it is primarily an administrative dataset used to determine the 'payment standard amount' for the Section 8 voucher program, it is of interest to housing advocates given its frequency and comprehensive geographic coverage. Commonly set at a community's 40th percentile gross rent, FMRs reflect HUD's best estimate of the cost of a decent, modest apartment and are published for various unit sizes.

In 2010, HUD began a Small Area Fair Market Rent (SAFMR) Demonstration Project which allows housing authorities that volunteered for the project to use SAFMRs, which are set at the ZIP code level in metropolitan areas rather than at the metropolitan area level, to determine the payment standard amount for the Section 8 voucher program. There have long been concerns about setting the FMR at the metropolitan area level because it tends to concentrate voucher holders in low income, low opportunity neighborhoods where nearly all the rents qualify for the voucher program. FMRs based on a smaller geography, such as the ZIP code level, should more closely reflect an area's rental market and therefore provide voucher holders with a greater array of housing choices.

Additional surveys. Other surveys of importance to housing advocates and researchers include:

- Housing Vacancy Survey, a Census Bureau survey that quantifies rental and homeowner vacancy rates, the characteristics of vacant units, and the overall homeownership rate on a quarterly (nation, regions) and annual (states, 75 largest metropolitan areas) basis. Data collected for the Housing Vacancy Survey are also used to produce the annual CPS estimates.
- Survey of Construction, a Census Bureau product that tracks the number and value of residential units permitted, constructed, sold, and improved for the nation and select metropolitan areas.
- Survey of Market Absorption, a HUD-sponsored survey of the absorption rate of newly constructed multifamily units conducted by the Census Bureau.
- Survey of Income and Program Participation, a Census Bureau survey that tracks families for between two and four years, investigating household members' sources of income, participation in and effectiveness of government transfer programs, and basic demographic characteristics.

WHAT ADVOCATES NEED TO KNOW NOW

The Census. The latest decennial census was carried out in 2010 and the Census Bureau released the first official population and apportionment counts in December 2010. The Bureau will continue to release the results of the census, such as selected population and housing characteristics and housing unit counts by occupancy status, through 2013.

The American Recovery and Reinvestment Act of 2009 included \$1 billion for the Census Bureau, funding measures designed to increase the accuracy of the census, particularly as it relates to hard-to-count populations. These measures included the hiring of additional census takers, increasing the number of community partnership specialists, and stepped-up efforts at outreach and advertising. The omnibus bill that controlled appropriations for the FY10 budget included \$7.325 billion for the 2010 census, which allowed the Census Bureau to maximize the accuracy of Census 2010.

The 'minibus' bill that controlled appropriations for FY12 included \$943.3 million for the Census Bureau, including \$888.3 million in direct appropriations and an additional \$55 million from the Working Capital Fund. The Administration had requested \$1.025 billion. In order to absorb the significant FY12 budget cut, the Census Bureau is evaluating which activities it can cancel, postpone, or shrink without impacting core programs or undermining the agency's mission. The Bureau has already stated that it will cancel an initiative to produce statistics on state and local government pension obligations, scale back planned 2010 Census data products as well as 2010 Census evaluations that would help inform a more cost-efficient 2020 Census, and will make as yet unspecified administrative and program cuts across the agency. Additionally, the 2012 Economic Census will be a scaled-back version that will not include the Survey of Business Owners.

It is critical that enough funding is provided in FY13 and following years for the Bureau to maximize data collected, evaluate methods and findings, and ensure robust collection efforts in the future.

American Community Survey. The final FY12 budget for the Census Bureau was approximately \$80 million below the President's request. Despite this significant funding cut, the Bureau decided to proceed with its plan to increase the sample size of the ACS from 3 million to 3.54 million households annually (approximately 295,000 monthly) as of June 2011. The Bureau decided to proceed with this priority activity and make cuts elsewhere in the agency. If Congress continues to underfund the agency in FY13

Federal Data Sources for Housing Advocacy

and following years, it is very likely that cuts will need to be made to the ACS as the Bureau is forced to make difficult decisions about what data to collect.

American Housing Survey. The American Housing Survey (AHS) suffered significantly as a result of cuts to the budget for PD&R from FY06 through FY09. These budget cuts reduced the survey's sample size and scaled back the number of metropolitan areas from 47 to 21 (seven surveyed every other year in a six-year cycle). Fortunately, this trend has been reversed with the new Administration and the AHS has seen a modest increase to the size of the national sample, a new supplemental HUD-assisted renter sample and, most significantly, the ability to survey far more metro areas than in the past.

In 2010 and 2011, Congress provided funding sufficient to survey 29 of the proposed 30 metropolitan areas for the 2011 AHS. The 2013 AHS will be funded through budget requests in 2012 and 2013, with HUD requesting funding for approximately half the cost of the 2013 AHS in FY12 and the other half in FY13.

Rental Housing Finance Survey. Another victim of PD&R's past budgetary woes, the Residential Finance Survey (RFS) was previously unfunded and was not expected to be conducted following the decennial census as it has been since 1951. However, the FY10 budget included increased funding to PD&R, which allowed the department to create a revamped RFS, targeting multifamily properties. The official title of the survey, being conducted by the Census Bureau for HUD, is the 2012 Rental Housing Finance Survey. The Census Bureau began collecting data from property owners and managers in January 2012 and expects to make the results of the survey available in late 2012. This is currently the only source of information on the mortgage and financial characteristics of multi-unit rental properties, so it remains critical that this survey be funded and implemented.

New poverty definition. In November 2011, the Census Bureau released a new Supplemental Poverty Measure (SPM). The new measure, according to the Interagency Technical Working Group assigned to develop the SPM, takes into account all food, shelter, clothing and utility expenditures for a family with exactly two children, including single-parent families. This is considered an improvement over the official poverty measure, developed in 1964, which largely estimates poverty by only looking at a household's cash income and does not capture government benefits that effectively increase a family's income, the changing standard of living, or the difference in prices across geographies. The SPM addresses many of these concerns and will be released every year in conjunction with the official measure to give policymakers a better understanding of economic realities and trends. The Census Bureau acknowledges that the SPM is not perfect and that further research needs to be done to improve the measurement, such as looking at the effects of adjusting medical expenses for those without health insurance.

Federal preservation data legislation. Advocates can also use data from HUD on the location and characteristics of certain subsidized properties to develop a database of assisted housing in a particular geography. This kind of database can be used to preserve affordable housing by raising awareness of projects at risk of leaving the subsidized housing stock. (See NLIHC's work summarizing the available data and how it can be used at [\[links to Preservation Catalog\]](#).)

However, data-driven preservation efforts today cannot be maximized because HUD does not publish data on all of its programs in one easy-to-use database. To the contrary, the data that HUD currently makes available to the public are not complete, not always updated in a timely fashion, and require a certain level of database expertise to utilize fully. Legislation has been introduced in the House that would require HUD to improve upon the quantity, quality, and usability of the subsidized housing data that the agency provides to the public, but it is currently unclear whether or not this legislation will ultimately pass.

TIPS FOR LOCAL UTILIZATION AND SUCCESS

First and foremost, housing advocates should encourage everyone to fully participate in every decennial Census and to respond to other federal housing surveys. The research conducted with these datasets can only fully capture the housing experiences of the nation if everyone is counted.

Advocates can also be end-users of the vast array of survey and census data. Research produced by advocates both clearly illustrates the depth and breadth of the affordable housing crisis and also demonstrates the importance of these federal data collection efforts. Quantifying the problem by calculating the scarcity of units affordable to the lowest income families, for example, can make it easier to set specific and defensible goals for expanding the affordable housing stock. See the tables at the end of this article for a summary of the key data sets advocates can use.

WHAT TO SAY TO LEGISLATORS

Advocates should call their Members of Congress and ask to speak to the person who deals with appropriations with the message that funding for the collection and analysis of housing data is vital to understanding the breadth and depth of the nation's

affordable housing crisis. Informed and effective housing policy is possible only with a concrete understanding of today's housing issues.

Advocates should ask the Member to support the collection and analysis of housing data in the appropriations process by:

- Meeting the Census Bureau's request for funding to effectively and efficiently evaluate Census 2010 and begin planning for Census 2020.
- Continuing to provide increased funding to HUD's Office of Policy Development & Research.
- Continuing to fully fund the American Community Survey and working to increase its sample size and accuracy.

Advocates should also ask to speak to the person who deals with housing issues and emphasize the need for a comprehensive, accurate, easy-to-use and timely datasets from HUD that will assist affordable preservation efforts around the country.

FOR MORE INFORMATION

Many organizations that understand the importance of federal statistics have formed coalitions and membership groups that track federal data collection efforts, advocate for their continued funding, and provide members with an opportunity to communicate directly with the federal agencies collecting the data. These groups include the Council of Professional Associations on Federal Statistics (www.copafs.org/), The Census Project (www.thecensusproject.org), and the Housing Statistics Users Group (<http://groups.google.com/group/housing-statistics-users-group>).

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

	American Community Survey	American Housing Survey	Census	Rental Housing Finance Survey	Home Mortgage Disclosure Act	Current Population Survey
Data Comparability Over Time	Surveys fairly comparable since 2000, although 2006 ACS is first to include group quarters	Designed to track changes in individual units, but can be problematic; some variables change year to year	Data are largely comparable though some caution is necessary due to changes in methods and questions	First year for this survey that replaces the Residential Finance Survey	Caution is urged due to frequent changes in coverage and required reporting	Use of different census-based controls and sample designs affect comparability
Level of Geographic Detail	Population: >250k since 2000; >65k in 2005 ACS; > 20k in 2007 ACS; tracts and block groups since 2009 ACS	National, regional, and select major metropolitan areas	All levels of census geography, down to the block level	National	National, metro areas, and census tracts (for select data); reporting institutions	National, census regions and divisions, and states
Format of Available Data	Demographic profiles, rankings and geographic comparisons, customized tables, maps, microdata, etc.	Data tables and microdata	Demographic profiles, rankings and geographic comparisons, customized tables, maps, microdata, etc.	Data tables and microdata	Data tables and microdata	Data tables and microdata
Agency Charged with Data Collection	Census Bureau	Census Bureau sponsored by HUD	Census Bureau	Census Bureau, sponsored by HUD	Federal Financial Institutions Examination Council	Census Bureau and the Bureau of Labor Statistics
Status	Despite cuts in FY12 budget, sample size of ACS was increased in June 2011. Vulnerable to future budget cuts.	National sample size and number of metro areas increased in 2011. Need continued funding to keep surveying 30 metro areas.	Constitutionally required. FY12 budget cuts impede full evaluation of census 2010 and scale back some data products.	HUD and Census conducting a redesigned survey in 2012 that focuses on multifamily properties. Results available in late 2012.	Data collection required by act of Congress.	No known threats.

Comparison of Selected National Datasets

	American Community Survey	American Housing Survey	Census	Rental Housing Finance Survey	Home Mortgage Disclosure Act	Current Population Survey
Survey or Census?	Survey	Longitudinal survey	Census and survey components	Survey	Census of qualifying institutions	Survey
Sample Size	Sample size expanded from 800,000 to 3 million households (1:40) in 2005 and to 3.54 million in 2011	55,000 units are surveyed nationally every odd-numbered year; circa 3,000 units are included in each metro survey	Census of all households and group quarters	Roughly 3,600 properties will be sampled in 2012	Roughly 34 million loan records in 2006 reported by 8,886 financial institutions	Roughly 55,000 households per month for labor force estimates; 75,000 annually for socioeconomic data
Survey of...	Population and housing	Housing units; household and individual characteristics data also available	Population and housing	Multifamily rental properties; interviews with property owners and managers	Individual loan applications as reported by large banks and lending institutions in metro areas	Households representing the civilian, non-institutionalized population
Data Available	Basic population, housing, and income variables	Detailed housing, income, and neighborhood variables	Basic population, housing, and income variables	Financial, mortgage, and property characteristics	Home mortgage lending activity by institution and race/income of applicant; socioeconomic and housing data from census & HUD	Labor force, poverty, income, and health insurance data, cross-tabulated by demographic and employment characteristics
Frequency	Annual since 2000	National survey is biennial; as of 2011, each survey covers 30 of 60 large metros; each metro is surveyed every 4 years	Decennial since 1790	The Residential Finance Survey was decennial since 1950; the RHFS will be conducted every other year	Annual since 1997	Monthly estimates of labor force; annual for income, poverty, and health insurance

BOARD ADVOCACY PROJECT

The tragedy of homelessness will end when public will demands it. There must be a public movement with enough power to move our decision makers to enact the policies needed to ensure everyone has a safe and affordable place to live. The Board Advocacy Project believes nonprofit board members are an enormous untapped resource who can play a pivotal role in this movement; and the project will inspire and activate these community leaders through education, mobilization and ongoing support.

Board member advocacy is smart, simple and strategic, and it can make a big difference for communities for years to come.

PROJECT SUMMARY

Advocates in Washington state started the Board Advocacy Project because while there are at least 500 nonprofit organizations working on issues of homelessness and affordable housing in Washington, too few of the 5,000 to 10,000 board members volunteering time to these groups are actively involved or trained in public policy advocacy. The Board Advocacy Project wants to change that.

By engaging, motivating, and training thousands of nonprofit board members across the state on how to be effective advocates, the Board Advocacy Project will help them use their individual voices and collective leverage to make a lasting difference in the campaign to end homelessness. Led by Common Ground of Washington, with support from the Campion Foundation, the Board Advocacy Project has created a framework to give board members the training and ongoing support they need to be effective advocates. This framework can serve as inspiration to advocates across the country as they work to strengthen coalitions and make gains at the local, state and federal levels.

The Board Advocacy Project aims to provide the following:

Motivation. The project will help demonstrate the connection between effective advocacy and fiscal responsibility. As skilled advocates, board members can engage policy makers to protect and increase critical public funding for homelessness prevention and affordable housing. They can also help their organizations compete more effectively for philanthropic support critical to long-term success.

Skill Building. The project will provide useful guidance on how to be persuasive in all communications with elected officials. Building on board members' roles as community leaders, the project will arm board members with the tools and messages required to be persuasive messengers for the cause.

Sustainability. The project will help assess your organization's structure and bylaws through an advocacy framework. By adopting sound advocacy plans, board advocacy committees, and internal budgetary commitments for advocacy, nonprofits can make sure advocacy becomes a permanent board priority, on par with governance, fundraising and other core board duties.

TIPS FOR LOCAL SUCCESS

Live in Washington state?

Register for a training. The Project's two-hour workshops are thorough, informative and fun, and they happen in cities all across Washington. While board members are our primary targets, anyone working in the housing and homelessness sector is welcome to attend. Advocates can visit www.boardadvocacy.org to enroll.

Live elsewhere?

Watch the video. "Board Members: An Untapped Resource" features Bill & Melinda Gates Foundation trustee Bill Gates, Sr., former Seattle mayor Norm Rice, and other funders, civic and elected leaders explaining board members' unique power and the risks of not engaging in advocacy. Advocates can watch the video online, or order a DVD copy to view at a board meeting.

Expand the conversation. The Board Advocacy Project website offers a budget template that provides a visual depiction of the impact public funds can have on an organization's financial well being. Advocates can schedule a conversation about advocacy at an upcoming board meeting, and use the budget template and the video to spark a discussion of how advocacy can impact an organization's bottom line.

FOR MORE INFORMATION

Board Advocacy Project • 206-461-4500 x110 • www.boardadvocacy.org

CONTACTING CONGRESS, THE WHITE HOUSE & FEDERAL AGENCIES

All Members of Congress can be reached by phone by calling the Capitol Switchboard and asking for that Member's office. **Capitol Switchboard** • 202-224-3121

To find the website of a Member of Congress, visit the homepage for either the House or Senate and use the drop-down menu to choose a specific Member.

U.S. House of Representatives • www.house.gov

U.S. Senate • www.senate.gov

To find your Member of Congress, visit the NLIHC Legislative Action Center and enter your ZIP code in the appropriate field. **NLIHC Legislative Action Center** • <http://capwiz.com/nlihc/dbq/officials/>

White House • 202-456-1414 • www.whitehouse.gov

Department of Housing and Urban Development (HUD) • 202-708-1112 • www.hud.gov

Department of Housing and Urban Development - HUD USER • 202-708-1112 • www.huduser.gov

Office of Management and Budget • 202-395-3080 • www.whitehouse.gov/OMB

Department of Agriculture, Rural Development Housing Programs • 202-699-1533 • www.rurdev.usda.gov

Department of Health and Human Services, Office of Community Services • 202-690-7000 • www.acf.hhs.gov/programs/ocs

Department of Justice • 202-514-2000 • www.usdoj.gov

Department of Transportation • 202-366-4000 • www.dot.gov

Department of Treasury, Community Development Financial Institutions Fund • 202-622-6355 • www.tres.gov/cdfi

Federal Emergency Management Agency • 202-646-2500 • www.fema.gov

Environmental Protection Agency • 202-272-0167 • www.epa.gov

Federal Housing Finance Agency • 202-414-3800 • www.fhfa.gov

Small Business Administration • 202-205-8885 • www.sba.gov

FREEDOM OF INFORMATION ACT (FOIA)

Everyone has the right to request federal agency records or information under the Freedom of Information Act (FOIA), and federal agencies, subject to certain exceptions, must provide the information when requested in writing.

In order to use FOIA, advocates do not have to have legal training or use special forms. All that is necessary is a letter. This appendix provides some tips for submitting a FOIA request.

PROGRAM SUMMARY

FOIA allows individuals and groups to get access to the records and documents of federal agencies like HUD and USDA's Rural Development (RD). Requests must be made in writing and each agency has its own practices and regulations.

- HUD's FOIA webpage is at: www.hud.gov/offices/adm/foia/index.cfm
- RD's FOIA webpage is at: www.rurdev.usda.gov/RD_EFOIA.html

FOIA does not provide access to the records and documents of parts of the White House, Congress, the courts, state and local governments or agencies, or private entities or individuals.

Records include not only print documents, such as letters, reports and papers, but also photos, videos, sound recordings, maps, email and electronic records. Agencies are not required to research or analyze data for a requester, nor are they required to create a record or document in response to a request. They are only obligated to look for and provide existing records. Agencies must, however, make reasonable efforts to search for records in electronic form and defines 'search' to mean to review, including by automated means, agency records (e.g., performing relatively simple computer searches).

A formal FOIA request might not be necessary. By law and Presidential order, Federal Agencies are required to make a substantial amount of information available to the public. Before considering a FOIA request, advocates should explore the HUD or RD websites and be fairly confident that the information sought is not already available online.

HUD's website can be searched in a couple of ways. First, the 'Program Offices' tab found at www.hud.gov will provide access to each of the HUD offices, and for each individual office there is a 'Resources' section which will detail the types of information available in connection with that program. Also, the HUD online library, at www.hud.gov/library/index.cfm, provides links to most the information available on the HUD website, and HUD's FOIA page, www.hud.gov/offices/adm/foia/index.cfm, provides links to frequently requested material.

Information about RD programs can be found at www.rurdev.usda.gov/rhs.

MAKING A FOIA REQUEST

Start with an informal verbal request. If advocates cannot find the information they seek on an agency's web site, it might be readily available from agency staff in the field, regional, or headquarters offices. Rather than invoking the formal FOIA process, it is often quicker and easier to start with an informal approach. Advocates can simply phone or email the agency office and ask for the information. HUD contact information can be found under the 'Contact Us' tab on the HUD web site, www.hud.gov.

RD State Offices, Area Offices and Local Offices can be located at www.rurdev.usda.gov/recd_map.html. USDA Service Centers (which might have an RD Area Office) can be found at <http://offices.sc.egov.usda.gov/locator/app>.

Contents of a formal FOIA request. If an informal request does not produce the desired information, a formal request may be necessary. A formal FOIA request can be simple and short, but it must be in writing and should be as specific as possible about the information sought. The request should describe the information sought in detail and include dates, names, document numbers, titles, and addresses to expedite the review of the request.

The FOIA letter should also provide contact information for the individual or organization requesting the information, including mailing address, phone number and email address. The request should also specify the format, paper or electronic, in which the writer would like to receive the requested information.

The letter should ask the agency to provide detailed justifications for any information that it refuses to release, and include a statement that the law requires the agency to respond within 20 days indicating whether the request will be processed.

Fees. Agencies can charge fees for copying and other costs associated with a FOIA request; however, advocates can, in their FOIA letter or email, request a waiver of any fees. An agency may waive these fees if the disclosure of the information is in the public interest and the information will not be used for commercial purposes.

In requesting a fee waiver, advocates should be sure to explain their organization's mission and its nonprofit nature in order to demonstrate that the information is not sought for commercial purposes. In addition, advocates should explain how this information will be of interest to more than a small number of people and how their organization can distribute the information to many people. Advocates should also explain how providing this information will lead to a level of public understanding of a HUD or RD activity that is greater than that which currently exists. In the alternative, advocates can state that they will only pay fees up to certain dollar amount. Neither HUD or RD charges fees for requests costing less than \$25.

Sending a FOIA request. Formal requests must be in writing, but they can be made through email, by fax or through regular mail.

To make a FOIA request of HUD, advocates should visit http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/foia/requests. The 'Submit a FOIA request' tab leads to a page where requests can be submitted. Advocates who have not submitted a request before must register.

Rural Development. For records held at the local level, advocates can write to the Rural Development FOIA Coordinator in that state, who can be found at www.rurdev.usda.gov/efoia/requests.htm#goto. For records held at Headquarters or the Finance Office in St. Louis, advocates should write to the Rural Development FOIA Officer in Washington, D.C. at www.rurdev.usda.gov/efoia/requests.htm. If advocates are not sure where the information is located, they should send the FOIA request to the Rural Development FOIA Officer in Washington, D.C. at www.rurdev.usda.gov/efoia/requests.htm.

The Federal Open Government Guide, published by the Reporters Committee for Freedom of the Press, provides an interactive tool to generate a FOIA request to any agency www.rcfp.org/foialetter/index.php?op=foia.

Timeline. Once advocates have made a request, HUD and RD will log that request and provide a tracking number. The agencies must grant or deny a FOIA request within 20 working days of receiving it. This response simply shows whether or not the agency intends to provide the information. There is no time limit on actually providing the information; however, USDA's regulations require RD to provide an approximate date the information will be provided.

If HUD or RD denies a request, they must explain why and that there exists a right to appeal. If there are 'unusual circumstances,' such a large number of records to review or staffing limitations, the agency can tack on an extra 10 days, and must give written notice.

Expedited requests. If there is an imminent threat to the life or physical safety of someone or if there is an urgent need to inform the public, advocates can ask for expedited processing. HUD and RD will issue a notification within 10 working days whether it will prioritize the request and speed up the review.

Denial of requests. Information can only be denied if it is 'exempt.' The law lists nine exemptions, such as classified national defense information, trade secrets, personal information and certain internal government communications. The letter denying a FOIA request must give the reasons for denial and inform the requester of his or her right to appeal to the head of the agency.

Appeals. Decisions to deny a fee waiver, deny a request for expedited disclosure or failure to release the requested information can be appealed. To contest these actions, a letter should be sent to the HUD official indicated in the denial letter and following the procedures outlined in the denial letter, including filing any appeal within a 30 day time period. If that appeal fails, appeal can be made to the HUD Secretary. To appeal an RD denial, advocates can send a letter to the RD official indicated in the denial letter within 45 days. If that appeal fails, advocates can appeal to the RD FOIA Officer; if still not satisfied, advocates should write to the Rural Housing Service Administrator. The agency has 20 working days to make a decision regarding an appeal.

Freedom of Information Act (FOIA)

Sample FOIA Letter

Date
Agency/Program FOIA Liaison
Name of Agency or Program
Address
RE: Freedom of Information Act Request

Dear [name]:

Under the Freedom of Information Act I am requesting copies of [identify the records as specifically as possible]. I request a waiver of fees because my organization is a nonprofit with a mission to [state the organization's mission and activities, demonstrating that it does not have a "commercial" interest in the information]. In addition, disclosure of the information will contribute significantly to public understanding of the operations and activities of HUD/RD.

[Explain how the information is directly related to HUD/RD; how the information will contribute to public understanding of HUD/RD operations or activities; and how not just you or your organization, but a broader segment of the public will gain a greater understanding of these agencies by having the requested information. Describe the role and expertise of your organization as it relates to the information and how the information will be disbursed to a broader audience.]

As provided by law, a response is expected within 20 working days. If any or part of this request is denied, please describe which specific exemption it is based on and to whom an appeal may be made.

If you have any questions about this request, please phone me at _____.

Sincerely,
Name
Address

FOR MORE INFORMATION

Public Citizen's Freedom of Information Clearinghouse • www.citizen.org/litigation/free_info

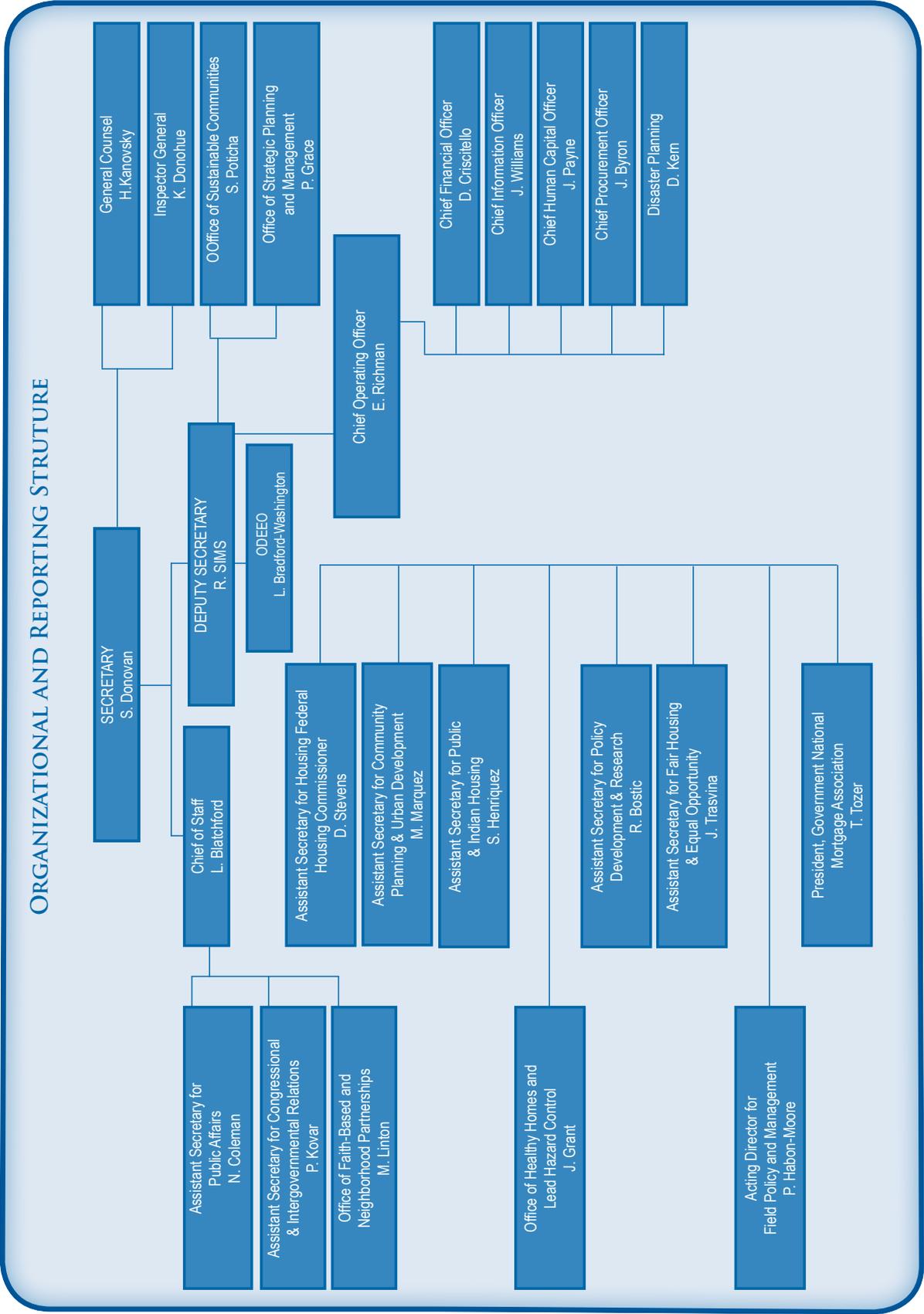
The Reporters Committee for Freedom of the Press, How to Use the Federal FOI Act • www.rcfp.org/foiact/index.html

General Services Administration, Your Right to Federal Records • www.pueblo.gsa.gov/cic_text/fed_prog/foia/foia.pdf

The Department of Justice provides a complete list of FOIA contacts for each covered agency at www.justice.gov/oip/foiacontacts.htm

HUD ORGANIZATIONAL CHART

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



WHITE HOUSE OFFICES

The White House develops and implements policy through a variety of means. The Obama Administration has focused on housing and urban policy to a greater extent than the previous administration. These offices within the White House are responsible for policy development relating to housing and economic development issues.

Domestic Policy Council (DPC)

The DPC Coordinates the domestic policy making process of the White House and offers advice to the President. The DPC also supervises the execution of domestic policy and represents the President's priorities to Congress. Cecilia Muñoz is the President's Domestic Policy Advisor and the Director of the Domestic Policy Council.

For more information see: www.whitehouse.gov/administration/eop/dpc/

National Economic Council (NEC)

The NEC coordinates policy making for domestic and international economic issues, coordinates economic policy advice for the President, ensures that policy decisions and programs are consistent with the President's economic goals, and monitors implementation of the President's economic policy agenda. Gene B. Sperling is the Director of the National Economic Council.

For more information see: www.whitehouse.gov/administration/eop/nec/

Office of Faith-Based and Neighborhood Partnership (OFBNP)

The OFBNP is part of the DPC and works to build bridges between the federal government and nonprofit organizations, both secular and faith-based, to better serve Americans in need. The Office advances this work through 11 Agency Centers across the government and a Strategic Advisor at the Corporation for National and Community Service. Joshua DuBois is the Executive Director of the OFBNP and a Special Assistant to the President.

For more information see: www.whitehouse.gov/administration/eop/ofbnp

Office of Public Engagement (OPE)

The OPE is part of the Office of Public Engagement and Intergovernmental Affairs and creates and coordinates opportunities for direct dialogue between the Obama Administration and the American Public. This includes acting as a point of coordination for public speaking engagements for the Administration and the various departments of the Executive Office of the President. Jon Carson is the Director of OPE.

For more information see: www.whitehouse.gov/administration/eop/ope

Office of National AIDS Policy (ONAP)

The ONAP is part of the DPC and is tasked with coordinating the continuing efforts for the government to reduce the number of HIV infections across the United States. The Office emphasizes prevention through a wide-range of education initiatives and helps to coordinate the care and treatment of citizens with HIV/AIDS. Jeffrey Crowley is the Director of ONAP.

For more information see: www.whitehouse.gov/administration/eop/onap/

Office of Urban Affairs (OUA)

The OUA is part of the Office of Public Engagement and Intergovernmental Affairs. OUA provides leadership for and coordinates the development of the policy agenda for urban America across executive departments and agencies.

For more information see: www.whitehouse.gov/administration/eop/oua

KEY CONGRESSIONAL COMMITTEES

For all committees, Members are listed in order of seniority. Subcommittee members are marked with an asterisk (*).

HOUSE OF REPRESENTATIVES COMMITTEE ON FINANCIAL SERVICES

The Committee on Financial Services oversees all components of the nation's housing and financial services sectors including banking, insurance, real estate, public and assisted housing and securities. The Committee reviews the laws and programs relating to the Department of Housing and Urban Development (HUD), the Federal Reserve Bank, the Federal Deposit Insurance Corporation, Fannie Mae and Freddie Mac, and international development and finance agencies such as the World Bank and the International Monetary Fund. The Committee also ensures enforcement of housing and consumer protection laws such the U.S. Housing Act, the Truth in Lending Act, the Housing and Community Development Act, the Fair Credit Reporting Act, the Real Estate Settlement Procedures Act, the Community Reinvestment Act, and financial privacy laws.

<http://financialservices.house.gov/>

The Subcommittee on Insurance, Housing and Community Opportunity oversees HUD and the Government National Mortgage Association (Ginnie Mac). The subcommittee also handles matters related to public affordability, and rural housing, as well as community development including Empowerment Zones, and government-sponsored insurance programs, such as the Federal Housing Administration and the National Flood Insurance Program (NFIP).

Majority Members (Republicans)

Spencer Bachus (AL), *Chairman*
Jeb Hensarling (TX), *Vice Chairman*
Peter King (NY)
Edward Royce (CA)
Frank Lucas (OK)
Ron Paul (TX)
Donald Manzullo (IL)
Walter Jones (NC)
Judy Biggert* (IL), (*Subcommittee Chair*)
Gary Miller* (CA)
Shelley Moore Capito* (WV)
Scott Garrett* (NJ)
Randy Neugebauer (TX)
Patrick T. McHenry* (NC)
John Campbell (CA)
Michele Bachmann (MN)
Thaddeus McCotter (MI)

Kevin McCarthy (CA)
Stevan Pearce (NM)
Bill Posey (FL)
Michael G. Fitzpatrick (PA)
Lynn Westmoreland* (GA)
Blaine Luetkemeyer (MO)
Bill Huizenga (MI)
Sean P. Duffy* (WI)
Nan A. S. Hayworth (NY)
Jim Renacci (OH)
Robert Hurt* (VA), (*Subcommittee Vice-Chairman*)
Robert J. Dold* (IL)
David Schweikert (AZ)
Michael G. Grimm (NY)
Francisco R. Canseco (TX)
Steve Stivers* (OH)
Stephen Lee Fincher (TN)

Minority Members (Democrats)

Barney Frank (MA), *Ranking Member*
Maxine Waters* (CA)
Carolyn Maloney (NY)
Luis Guterrez* (IL), (*Subcommittee, Ranking Member*)
Nydia Velázquez* (NY)
Melvin Watt* (NC)
Gary Ackerman (NY)
Brad Sherman* (CA)
Gregory Meeks (NY)
Michael Capuano* (MA)
Rubén Hinojosa (TX)
William Lacy Clay* (MO)
Carolyn McCarthy (NY)

Joe Baca (CA)
Stephen Lynch (MA)
Brad Miller (NC)
David Scott (GA)
Al Green (TX)
Emanuel Cleaver* (MO)
Gwen Moore (WI)
Keith Ellison (MN)
Ed Perlmutter (CO)
Joe Donnelly (IN)
Andre Carson (IN)
Jim Himes (CT)
Gary Peters (MI)
John Carney (DE)

HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATIONS

Members of the Appropriations Committee are responsible for determining the amount of funding made available to all authorized programs each year. <http://appropriations.house.gov/>

The Subcommittee on Transportation, Housing and Urban Development, and Related Agencies determines the amount of government revenues dedicated to HUD, among other agencies.

Majority Members (Republicans)

Harold Rogers (KY), *Chairman*

Jerry Lewis (CA), *Vice-Chairman*

C.W. Bill Young (FL), *Vice-Chairman*

Frank R. Wolf* (VA)

Jack Kingston (GA)

Rodney Frelinghuysen (NJ)

Tom Latham* (IA), (*Subcommittee Chairman*)

Robert B. Aderholt (AL)

Jo Ann Emerson (MO)

Kay Granger (TX)

Michael K. Simpson (ID)

John Abney Culberson (TX)

Ander Crenshaw (FL)

Denny Rehberg (MT)

John R. Carter* (TX)

Rodney Alexander (LA)

Ken Calvert (CA)

Jo Bonner (AL)

Steve Latourette* (OH), (*Subcommittee Vice-Chairman*)

Tom Cole (OK)

Jeff Flake (AZ)

Mario Diaz-Balart* (FL)

Charles Dent* (PA)

Steve Austria (OH)

Cynthia Lummis (WY)

Tom Graves (GA)

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Pete Visclosky (IN)

Nita Lowey (NY)

Jose Serrano (NY)

Rosa DeLauro (CT)

Jim Moran (VA)

John Olver* (MA), (*Subcommittee, Ranking Member*)

Ed Pastor* (AZ)

David Price* (NC)

Maurice Hinchey (NY)

Lucille Roybal-Allard (CA)

Sam Farr (CA)

Jess Jackson Jr. (IL)

Chaka Fattah (PH)

Steve Rothman (NJ)

Sanford Bishop (GA)

Barbara Lee (CA)

Adam Schiff (CA)

Mike Honda (CA)

Berry McCollum (MN)

SENATE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

The Committee on Banking, Housing and Urban Affairs oversees legislation, petitions, and other matters relating to the financial institutions, economic policy, housing, transportation, urban development, international trade and finance, securities and investments. <http://banking.senate.gov/public/>

The Subcommittee on Housing, Transportation, and Community Development is the primary oversight committee for the US Department of Housing and Urban Development (HUD). The Subcommittee oversees urban mass transit systems and general urban affairs and development issues, HUD community development programs, the Federal Housing Administration, the Rural Housing Service, and Fannie Mae and Freddie Mac. The Subcommittee oversees all issues related to public and private housing, senior housing, nursing home construction and Indian housing issues.

Majority Members (Democrats)

Tim Johnson* (SD) *Chairman*

Jack Reed* (RI)

Charles E. Schumer* (NY)

Robert Menendez* (NJ) (*Subcommittee Chairman*)

Daniel Akaka* (HI)

Sherrod Brown* (OH)

Jon Tester* (MT)

Herb Kohl* (WI)

Mark R. Warner (VA)

Jeff Merkley* (OR)

Michael F. Bennet* (CO)

Kay Hagan (NC)

Minority Members (Republicans)

Richard C. Shelby* (AL), *Ranking Member*
 Mike Crapo* (ID)
 Bob Corker* (TN)
 Jim DeMint* (SC), *(Subcommittee Ranking Member)*
 David Vitter (LA)
 Mike Johanns (NE)
 Patrick Toomey* (PA)
 Mark Kirk* (IL)
 Jeff Moran* (KS)
 Roger F. Wicker* (MS)

SENATE COMMITTEE ON APPROPRIATIONS

Members of the Appropriations Committee are responsible for determining the amount of funding made available to all authorized programs each year. <http://appropriations.senate.gov/>

The Subcommittee on Transportation, Housing and Urban Development, and Related Agencies has jurisdiction funding for the departments of Housing and Urban Development and Transportation. It also oversees funding for the Federal Housing Administration and economic and community development programs, such as the Community Development Block Grant (CDBG) program.

Majority Members (Democrats)

Daniel K. Inouye (HI), *Chairman*
 Patrick Leahy* (VT)
 Tom Harkin* (IA)
 Barbara A. Mikulski* (MD)
 Herb Kohl* (WI)
 Patty Murray* (WA), *(Subcommittee Chairman)*
 Dianne Feinstein* (CA)
 Richard J. Durbin* (IL)
 Tim Johnson* (SD)
 Mary L. Landrieu (LA)
 Jack Reed (RI)
 Frank R. Lautenberg* (NJ)
 Ben Nelson (NE)
 Mark Pryor* (AR)
 Jon Tester (MT)
 Sherrod Brown (OH)

Minority Members (Republicans)

Thad Cochran (MS), *Vice-Chairman*
 Mitch McConnell (KY)
 Richard Shelby* (AL)
 Kay Bailey Hutchison* (TX)
 Lamar Alexander* (TN)
 Susan Collins* (ME), *(Subcommittee Ranking Member)*
 Lisa Murkowski (AK)
 Lindsey Graham (SC)
 Mark Kirk* (IL)
 Daniel Coats* (IN)
 Roy Blunt* (MO)
 Jerry Moran* (KS)
 John Hoeven (ND)
 Ron Johnson* (WI)

2012 VOTERIZATION PLAN FOR LOCAL ORGANIZATIONS

Completing a Voterization plan for your agency will help you assess how best to incorporate voter registration, education, and mobilization into your agency's work. This plan template presents a menu of activities that your group may want to consider. The companion *Voterization Plan Narrative* provides additional information. Please let us know you are participating! Contact NLIHC's Outreach Team at 202-662-1530 or outreach@nlihc.org (include 'Voterization' in the subject line) with a description of your project.

WHY BECOME VOTERIZED?

Below are some reasons that organizations have undertaken voterization projects. Check those that apply to your organization, and add any others that apply.

- Engage residents in civic participation and learn how decisions of elected officials affect their lives.
- Educate elected officials on low income housing issues and on how their decisions affect residents.
- Build power with elected officials.
- Help develop residents' leadership skills.
- Assist residents in meeting community service requirements, if applicable.
- Earn positive press for your program or project.
- Other: _____

LEGALLY SPEAKING

501(c)(3) organizations can, and should, engage in nonpartisan election-related activity, including voter registration, education, and mobilization. 501(c)(3)s cannot in any way support or oppose particular candidates. For detailed information on these issues:

- Contact the Office of the Secretary of State or Board of Elections in your state to learn your state's rules for third-party voter registration.
- Review the guide *Nonprofits, Voting & Elections*, at www.nonprofitvote.org/guides-and-toolkits.html.
- Participate in an online training seminar offered by the Alliance for Justice.
- Visit the League of Women Voters at www.vote411.org for the latest information on voting in your state.

REGISTERING VOTERS

Setting Goals for Registering Voters

A. How many residents/clients does your agency have?

B. What percentage of your clients will you register? What number?

C. Will your agency also register other low income members of the community, beyond your clients? If so, how many?

D. What is your agency's total goal for new registrants (B+C)?

E. How many weeks do you have until the deadline to register voters?

F. How many people must you register on average per week to meet your goal?

Assigning responsibilities

A. What staff person will ultimately be responsible for meeting registration goals?

B. What resident leaders will have responsibility for meeting registration goals?

PREPARING TO REGISTER VOTERS

Your local Board of Elections can be a valuable source of information as you plan to register clients to vote.

You'll want to check in with them to:

- Learn the registration deadline for the general election in your state.
- Ask whether anyone can register voters in your state, or whether a person must first become deputized or meet other requirements.
- Request the voter rolls for your locality. There may be a small charge for this, but it's important; you'll use this list to determine which of your residents are already registered.
- Request enough voter registration forms to meet your registration goals.

Are there special requirements someone must meet before registering voters?

Who will obtain the county voter list and pick up the voter registration forms?

REGISTRATION CHECKLIST

For each section, check those ways in which your agency will register voters. In the space after the activity, list the staff or resident(s) who will carry out the activity, and the timeframe for carrying it out.

STAFF TIMEFRAME

Fitting Voter Registration into your Agency's Regular Contact with Residents

___ Add voter registration to the client intake process. Specifically ask people to register and assist them in completing the form; don't just provide the form.

___ Register clients when they come in to receive your services.

___ Add a voter registration component to all job training, computer, or other classes offered by your agency.

___ Other: _____

Planning Specific Voter Registration Activities

___ Hold a social or other event at which voter registration is an activity.

___ Host an event for National Homeless and Low Income Voter Registration Week, September 30 to October 26, 2012 (www.nationalhomeless.org/projects/vote/index.html).

___ Other: _____

Organizing a Door-to-Door Campaign

___ Train residents, staff and other volunteers who are already registered to go door-to-door and register those residents. Use the county voter list to determine who needs to be registered and whose registration needs to be updated.

___ Appoint residents as building captains, floor captains, etc. Ensure they are trained on the rules in your state, and make them responsible for registration (and turnout) where they live.

___ Consider offering public recognition to those who register the most new voters or the highest percentage of their area

Reaching out to the Community

___ Have your registrars reach out into the community to register other low income, homeless, or underrepresented people.

___ Make sure everyone on the staff and board is registered!

KEEPING RECORDS

Keeping records of the people you register to vote helps both with determining whether you have met your registration goals and with planning Get Out The Vote activities. NLIHC has a sample database that you can use for recordkeeping at the end of this document.

Where allowable by law, one easy way to gather the information for your list is to collect voter registration forms from new registrants, then photocopy the forms or portions of forms before mailing them in. You can also have new registrants fill out a two-part pledge card. They'll keep the half of the card that reminds them of their pledge to vote; you'll keep the half with their contact information.

Who will be responsible for keeping records of who becomes registered to vote?

MOBILIZING VOTERS

Setting Goals for Getting Out the Vote

A. What is the total number of people your agency plans to register to vote (from page 43)?

B. How many additional clients are already registered (from the voter list you obtained from your county's Board of Elections)?

C. What is your total number of potential voters (A+B)?

D. What percentage of these people would you like to see vote on Election Day?

E. What is the total number of people you would like to see vote on Election Day?

Reminding, Goadng, and Cajoling People to Vote

A. What staff person will ultimately be responsible for meeting mobilization goals?

B. What resident leaders will have responsibility for meeting mobilization goals?

PLANNING FOR ABSENTEE BALLOTS AND EARLY VOTING

In all states, absentee ballots can be requested by residents who are unable to get to the polls on Election Day. In some states, all voters have the option to vote by absentee ballot (whether or not they would be able to get to the polls) or to vote before Election Day. Providing your clients with absentee ballot request forms or helping them to take advantage of early voting if available is a great way to increase voter turnout.

Voting by absentee ballots generally takes two steps: first, clients fill out forms requesting their ballots. Once they receive their ballots, clients fill them out and return them.

Check with your county's Board of Elections on each of the following questions:

- What is the deadline in your state for requesting absentee ballots?
- When must ballots be returned to the county by?
- Does your state allow for no-excuse absentee ballots (residents may vote absentee even if they would be able to go to the polls on Election Day)?
- Does your state allow for early voting?

Who will be responsible for coordinating absentee ballots and early voting?

MOBILIZATION CHECKLIST

For each following section, check those ways in which your agency will mobilize voters and candidates. In the space after the activity, list the staff or resident(s) who will carry out the activity, and the timeframe for carrying it out.

STAFF TIMEFRAME

The Months and Weeks before Election Day

___ If time allows, request an updated list of registered voters from your Board of Elections to ensure the voters you registered are included.

___ Investigate the possibility of adding a polling place at your agency.

___ Download and print GOTV materials, including posters, from www.nonprofitvote.org.

___ Host voting-related events on the first Tuesday of the month to get residents used to participating in civic engagement activities on that day.

___ Make your first contact with each voter in your database. Call them, thank them for registering, and remind them to vote.

___ Plan for Election Day:

- Recruit residents or other volunteers who will spend Election Day doing door-to-door GOTV. Prepare captains to turn out all registered people on their floor, in their building, etc.

- Once the deadline for registering new voters has passed, obtain an updated voter registration list from your county. Check against your database and prepare a final list of voters to be mobilized.

One to Two Weeks before Election Day

___ Make your second contact with each voter in your database. Call them, remind them to vote Election Day, and provide them with their polling place. Ask whether each will need a ride to the polls.

___ Continue to plan for Election Day:

- Hold a training session for Election Day volunteers.

- From your database, print lists of all of your registered clients whose doors will be knocked on Election Day. Print in groups of 20-30 people, based on geography and the number of Election Day volunteers.

- Arrange to provide rides to the polls for those who need them.

- Plan to provide lunch for your Election Day volunteers.

- Plan a party for after the polls close!

___ Other: _____

The Day before Election Day

___ Make your third contact with each voter in your database. Call and ask them to commit to vote the following day. Remind them of the location of their polling place.

___ Other: _____

Election Day

___ Have volunteers with lists of registered residents knock on the doors of everyone on their list, crossing off the names of those who have voted. If a voter is not home, leave a preprinted note on his door. Call or knock again until everyone has voted, or until the polls are closed.

___ Provide rides to the polls for residents who need them.

___ Celebrate! Host a party for voters and volunteers. Watch the election results.

___ Other: _____

Post-Election Day

___ Thank voters and volunteers, and tell them about your successes.

___ Evaluate your program and plan your next project. Continue with registration and education activities.

___ Use your new power to meet with newly elected officials.

___ Consider if there are staff or residents should be encouraged to run for office.

___ Other: _____

CONSIDERING RESOURCES

Whether simple or more involved, all voter engagement projects will involve some level of resources. Now that you know what you would like to accomplish, you should plan what funding sources you might access, and how you might work with other organizations to leverage resources.

Organizations use general funds and funds raised specifically to cover voter work. How much funding do you anticipate needing? (For voter rolls, supplies, transportation, training, events, etc.)

What sources of funding can you access?

Other organizations may have resources that your organization can access. Student groups may be interested in registering voters as part of a community service project. A civic group may already be providing rides to the polls, and could include your clients in their plans. Remember to partner only with nonprofit organizations. What groups in your area might you partner with, and in what ways?

KEEPING RECORDS DATABASE SAMPLE

It has been shown that just registering voters will not ensure an increase in voter turnout. To have a successful mobilization operation, you must contact your newly registered voters in the weeks and days leading up to the election. To do this effectively, you will need to have a record of who is registered to vote.

The easiest way to keep records is in a database format. Your voter database does not have to be complex or have a lot of fields. Many people find Microsoft Excel and Microsoft Access to be the easiest platforms to use.

Your database should include the following fields:

FIRST NAME	LAST NAME	STREET NUMBER	STREET NAME	CITY	STATE	ZIP CODE	PHONE	EMAIL	POLLING PLACE
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Note that street number and street name are kept as two separate fields. If you plan to knock doors on Election Day, being able to sort by street number will make organizing an Election Day plan easier.

There are a number of ways to compile this data. One way is to enter the data straight from the voter registration card once the new registrant fills it out. Another way is to have the new registrant fill out both sides of a pledge card. He or she would give you one side and keep the other side. Once you have this information recorded, you are well on your way towards a successful Get Out The Vote operation.

For more information and resources, visit
www.nlihc.org/involvement/advocacy/voterization

2012 VOTERIZATION PLAN

NARRATIVE GUIDE

This narrative accompanies the National Low Income Housing Coalition's *2012 Voterization Plan*, and is designed to help you through the steps of planning your agency's Voterization project. NLIHC's 2012 Voterization materials offer resources for organizations seeking to engage traditionally underrepresented people in the civic process.

Our *Voterization Plan* takes you through all of the steps you need to implement a campaign to integrate registration, education, mobilization, and voter protection without overtaxing your staff or resources, and while staying within legal guidelines for nonprofits. Start by printing out the plan template, and then use other resources described in the plan to determine your next steps.

Our plan presents a menu of activities for your group to consider. Your organization may or may not be able to undertake all of the suggested activities; plan according to available resources. If this is your first voter engagement project, remember to think longterm. It's usually best to start small and build your project over several election cycles.

Please let us know you are participating! Call NLIHC's outreach team at 202-662-1530, or email us at outreach@nlihc.org (include 'Voterization' in the subject line). Thank you for taking part!

ENGAGING PEOPLE IN THE VOTING PROCESS MEANS
MORE THAN JUST SETTING VOTER REGISTRATION FORMS
ON THE FRONT DESK.

WHY BECOME VOTERIZED?

Raising housing on the national agenda will happen only when candidates for elected office understand that the issue of affordable housing is important to voters. At the same time, it is vital that low income voters understand how the decisions made by federal elected officials directly affect their lives, know how to register to vote and how to get to the polls on Election Day.

However, census data confirm that low income voters are registered and vote at lower rates than higher income citizens. While 80% of people with incomes over \$100,000 were registered to vote in 2008 and 73% voted, just 64% of people with incomes below \$20,000 were registered, and only 52% actually voted. (U.S. Census Bureau. *Voting and Registration in the Election of November 2008*. May 2010.)

Low income people face several challenges to voting: less-flexible jobs that may not allow time off to vote, transportation impediments that may make getting to the polls more difficult, and a greater likelihood of misinformation about their rights as voters that may make people shy away from voting. People experiencing homelessness, ex-felons, and survivors of natural disaster may face especially tough barriers to voting.

Nonprofit organizations, which benefit from close ties with their clients, are a natural fit in helping people overcome these challenges. Nonprofits that have implemented Voterization projects have identified several benefits of doing so:

- Engage residents in civic life and learn how decisions of elected officials affect their lives.
- Educate elected officials on low income housing issues and on how their decisions affect residents.
- Build power with elected officials.
- Develop residents' leadership skills.
- Assist residents in meeting community service requirements, if applicable.
- Earn positive press for your program or project.

LEGALLY SPEAKING

Nonprofit organizations can, and should, engage in nonpartisan election-related activity, including voter registration, education, and mobilization. The basic rule is that 501(c)(3) organizations cannot in any way support or oppose particular candidates. For detailed legal guidance, you may want to consult:

The Nonprofit Vote (www.nonprofitvote.org)

Specifically, read their comprehensive legal guide on what nonprofits can and cannot do: *Nonprofits, Voting & Elections*.

The Alliance for Justice (www.afj.org)

AFJ offers web-based training sessions titled, 'Election Rules for Nonprofits.' Find the next scheduled workshop at www.afj.org. AFJ also has materials available for review, including the one-pager: *Permissible Election Activities for 501c3 Nonprofits*.

The League Of Women Voters (www.vote411.org)

The League offers [Vote411.org](http://www.vote411.org), an online resource providing nonpartisan information to the public with both general and state-specific information on all aspects of the election process. An important component of [VOTE411.org](http://www.vote411.org) is the polling place locator, which enables users to type in their address and retrieve the poll location for the voting precinct in which that address is located.

The IRS (www.irs.gov)

The IRS has published Election Year Activities and the Prohibition on Political Campaign Intervention for Section 501(c)(3) Organizations.

HUD (www.hud.gov)

Public housing agencies are often under the impression that they are not able to register residents to vote. That is not the case; in fact, HUD issued a Notice (FR-3968-N-01) in 1996 that encouraged housing agencies, including Indian housing authorities and resident management companies, to become involved in voter registration activities.

Organizations with specific legal questions related to their Voterization projects after consulting the above resources are encouraged to contact an attorney who specializes in election law.

REGISTERING VOTERS: BEFORE YOU START

Before your organization begins to register voters, you'll want to prepare in several ways:

Set Goals

Setting goals for both registration and mobilization can be an important part of your plan. The staff and volunteers involved in the project will have something to work towards, and you'll have a way to evaluate your project after the election. The plan provides a framework for setting these goals.

Get to Know Your Local Board of Elections

Your local Board of Elections can be a wealth of information as you plan to register clients to vote. You'll want to check in with them to learn the registration deadline for the general election in your state; ask whether anyone can register voters in your state, or whether a person must first become deputized or meet other requirements; request the voter rolls for your community, so you'll know who in your target audience is already registered; and request enough voter registration forms to meet your registration goals.

Offer Registration Trainings

Residents and staff who plan to register voters will often benefit from receiving training on the process. You may want to bring in someone from the local Board of Elections who can explain how your state's voter registration forms are filled out, and the state registration requirements. It can also help to spend a bit of time role playing, so that people who are registering voters are not discouraged when confronted with apathy.

Consider Resources

Whether simple or more involved, all voter engagement projects will involve some investment of resources. Once you know what you would like to accomplish, you should consider potential funding sources for your project, and how you might work with other organizations to maximize resources.

Other organizations may have resources that your organization can access. Student groups may be interested in registering voters as part of a community service project, or a civic group may already be providing rides to the polls and could include your clients in its plans. Remember to partner only with nonpartisan organizations.

REGISTERING VOTERS

Once you know the voting guidelines for your state, have decided on how you will keep records, and have set registration goals for your agency, you are ready to begin registering voters. As described in the sample plan, there are four ways to approach voter registration.

Fit Voter Registration into Your Agency's Regular Contact with Residents

The first option is to incorporate registration into day-to-day activities that already take place at your agency. Registration can usually be incorporated with few resources and little hassle into the intake process, training sessions, resident association meetings, and any other meetings of clients.

Plan Specific Voter Registration Activities

A second way to think about registration at your agency is to plan special registration activities or campaigns. Many organizations have had success holding social or other events at which residents are encouraged to register to vote. Consider hosting an event for National Homeless and Low Income Voter Registration Week (September 30 - October 6, 2012).

Organize a Door-to-Door Campaign

The third, and most effective, way for larger organizations to systematically register clients is through a door-to-door campaign. If yours is a residential agency, such a campaign can be particularly effective. In particular, resident leaders can volunteer to receive training and serve as 'building captains' or 'floor captains.' Captains can be given responsibility for registering and keeping records of, and then turning out, all of the people in their building, on their floor, etc. Such a system can be a great way to get residents or clients involved while ensuring that staff does not become overwhelmed with additional responsibilities. The key is to have personal and organized contact with potential voters by people they know or trust. Especially in this type of campaign, you will want to use the voter list from your county to see who in your buildings is already registered or whose registration needs updating.

Go into the Community

Finally, especially if you have a smaller client base, you may also want to think about having your volunteers reach out into the community to register other low income, homeless, or underrepresented people. And don't forget to make sure everyone on the staff and board is registered!

KEEPING RECORDS

It is crucial to have a plan for how you will keep a record of who you have registered to vote—as well as who is already registered—so that you'll be able to contact these people as part of your mobilization activities. You'll be able to compile a list of which of your residents are already registered from the voter rolls you picked up at your local Board of Elections.

Collect Information

For new registrants, there are two ways to collect this information. One easy way, if allowed by the laws in your state, is to collect voter registration forms from new registrants, then photocopy the forms before mailing them in. (Note: Some states have a specific number of days after the form was filled out by which it must be turned in to the elections office.) This also allows you to review and catch mistakes before a form is submitted. You may also ask registrants to fill out two-part pledge cards. They will keep the half of the card that reminds them of their pledge to vote; you will keep the half with their contact information.

Enter the Information into a Database

Once you have collected voters' information, it's important to enter it into a database so the data can be easily accessed for mobilization purposes. Details and a sample database are at www.nlihc.org/VOTE.

EDUCATING CLIENTS & ELECTED OFFICIALS

There can be as many as three components to the education piece of your plan:

Educate clients on voting and their rights as voters

Clients should be informed of where their polling place is, what documentation they will need with them to vote, and their rights if election officials attempt to restrict them from voting. Arranging for local election officials to demonstrate how voting machines work can be helpful in easing fears about voting for the first time.

The National Coalition for the Homeless "You Don't Need A Home to Vote" Voting Rights Campaign seeks to protect and promote the right of homeless people to vote, and offers materials on all aspects of a voter engagement campaign, including specific, state-by-state information on the legal issues affecting the rights of people experiencing homelessness to vote. Find the campaign at www.nationalhomeless.org/projects/vote/index.html.

Many states have new requirements for showing identification during the registration process or at the voting booth. The League of Women Voters has updated information about the rules in each state at www.Vote411.org.

Educate clients on the issues

Nonprofits can best assist clients in becoming versed on the issues by providing opportunities for people to hear the direct views of candidates. Distribution of candidate questionnaires or the hosting of debate watch parties or candidate forums are examples of such opportunities.

This is an area in which you must be especially vigilant about ensuring that your agency follows IRS requirements. Please refer to the guide *Nonprofits, Voting & Elections* before you send questionnaires to your candidates or invite candidates to speak to clients.

Educate candidates

Asking candidates to fill out a questionnaire or inviting them to your agency can be a way to learn more about them while making them aware of your organization and the issues that are important to residents. Candidates also learn what issues are important to voters by reading the letters to the editor page of the newspaper. Consider having clients write letters about issues that are important to them.

MOBILIZING VOTERS

Your voter mobilization, or Get Out The Vote (GOTV), plan can be the most important and rewarding piece of your project. Just registering someone is not enough; it has been consistently shown that voters are much more likely to go to the polls if they are contacted on several occasions and reminded to vote by someone they trust. Further, once someone has been mobilized to vote, he or she is more likely to vote in future elections. Considerable attention should be paid to mobilizing the people you have registered.

Aim for at Least Three Contacts with Each Registered Resident

If possible, contact the each potential voter three times between the day she registers and Election Day: once a few weeks before the election, once a few days before the election, and at least once on Election Day. On Election Day, you may contact voters until they have affirmed that they have indeed voted. For example, if someone tells you at noon that he has not yet voted, call back at 4 pm to see whether he has been able to vote. Use your database of registered residents to make your contacts.

Over the course of your contacts, you should make sure that the voter commits to voting, knows when Election Day is, and knows where her polling place is. Ideally these contacts should be in person (a knock at the door), but phone calls and postcards may also be used. Not everyone will be home when you knock, so you may want to provide volunteers with a pre-printed note they can leave on people's doors on Election Day.

The suggested activities on pages 5 - 6 of the *Voterization Plan* provide ideas for making these contacts. Recruit volunteers, whether staff, residents, or community members, to assist in making these contacts. If you have had building or floor captains who have been in regular contact with their voters, they should do this mobilization to the extent possible.

Again, it is personal contact from someone residents know or trust that will make an impact. Research shows that door-to-door visits increases voting rates by 10% among those contacted, while phone calls made by volunteers increases turnout by 2.5%. Further, simply providing people with their polling location has been shown to raise turnout rates by nearly 2%. (The George Washington University Graduate School of Political Management. *Winning Young Voters*. 2006.)

Consider Early Vote and Absentee Ballots

Early voting (if available in your state) and absentee voting can each facilitate voting by the people your agency serves. Again, your local Board of Elections can provide information on laws in your state.

Work the Polls

In addition to recruiting volunteers for your Election Day GOTV efforts, you may also want to encourage other residents to sign up with the county as poll workers. This provides an additional, and often paid, way for clients to participate in the election process.

Host a Polling Location

Some nonprofits have increased their turnout rates by asking the county to use their location as a polling place. It's much easier to vote when you only need to go to the lobby! This arrangement also offers community members an opportunity to visit your agency.

PROTECTING THE RIGHT TO VOTE

Nonprofits can play an important role in making sure that people's rights are protected when they get to the polls. To that end, you may want to ask a local attorney who is versed in voting rights to volunteer with your group. He or she can help identify potential issues in your community, and can also be on call on Election Day if anyone experiences problems voting.

CAPITALIZING ON YOUR PROJECT

Once Election Day is over, take a few days to rest. You deserve it! Then, it's time to do a few things: Celebrate your accomplishments and honor your volunteers. Evaluate your project and your results, and plan what you'll do differently next year.

Next, set up appointments with elected officials and residents to discuss housing issues important to your organization, and go prepared with statistics showing the increased voting rates in your community. Now that residents and staff have been energized by being involved in the election process, talk to them about who might be interested in running for local office themselves.

Most importantly, consider your Voterization project to be an ongoing project, and continue to make registration, education, and mobilization a part of your agency's day-to-day activities.



Advocacy Story: Voterization Engages Advocates, Cultivates Leaders in Massachusetts

During the 2010 election, the Massachusetts Affordable Housing Alliance (MAHA) worked with our members to encourage people to register to vote, become educated on ballot initiatives, and vote on Election Day.

To help get the word out, MAHA held phone-banking events at our office to contact registered voters. Volunteers were trained at a workshop discussing the duties and powers of the candidates, and the pros and cons of ballot initiatives and how various initiatives could impact people's quality of life.

Some volunteers also worked to help develop the skills of newer members. One of our members, Linda, was a seasoned advocate and had done phone-banking in the past. Linda is a dedicated voter and loves reaching out to her neighbors.

Another member, Rashid, was a new advocate and had been shy during training. Rashid was a junior in high school and was MAHA's youngest phone-bank volunteer. Linda took Rashid under her wing and asked him to sit with her and listen as she made calls to voters. Then she had him make calls while she was there to assist him with any questions he could not answer. She cheered him on, and while some people were short with Rashid on the phone, he didn't stop trying because he had Linda beside him. There was a strong sense of pride from our organizing staff in seeing our seasoned phone-banker take the lead in helping Rashid improve his skills in educating and encouraging voters.

MAHA's Voterization work has allowed us to engage our advocates, cultivate new leaders and makes sure that community members make their voices heard by being informed and active voters. MAHA will continue to do Voterization work to help us in our mission of making Massachusetts a more affordable place to call home.

For more information about MAHA and their Voterization work, contact Cortina Vann at cvann@mahahome.org.

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**HOUSING PROGRAMS
& ISSUES**

NATIONAL HOUSING TRUST FUND

By Sheila Crowley, President and CEO and Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

The National Housing Trust Fund (NHTF) was established in federal law on July 30, 2008, but remains unfunded as of March 2012. Since 2001 NLIHC has led the National Housing Trust Fund Campaign, which has the support of more than 7,200 organizations nationwide located in all 435 Congressional districts. The goal of the campaign is to expand the supply of rental homes that are affordable for extremely low income households by 3.5 million in 10 years.

The focus of the campaign in 2012 is to secure both short-term and long-term funding for the NHTF.

ADMINISTRATION

Once funded, the NHTF will be administered by HUD's Office of Community Planning and Development. HUD published proposed regulation to implement the NHTF on October 29, 2010. The final rule is anticipated in summer 2012.

HISTORY

The National Housing Trust Fund (NHTF) became law with the passage of H.R. 3221, the Housing and Economic Recovery Act of 2008 (HERA) near the end of the 110th Congress.

The NHTF was won after a multi-year campaign. NHTF legislation was introduced in the 106th, 107th, 108th, and 109th Congresses. The primary sponsors of earlier versions were John Kerry (D-MA) in the Senate and Bernie Sanders (I-VT) in the House. After Congressional leadership changed in 2007, House Financial Services Committee Chairman Barney Frank (D-MA) made the NHTF a top priority, and Senator Jack Reed (D-RI) led the fight in the Senate. Ultimately, Senator Reed's version was passed as one element of H.R. 3221. It was not as detailed as Chairman Frank's bill, leaving much of the program structure to be created by regulation.

Both Chairman Frank's and Senator Reed's bills proposed to fund the NHTF with contributions from Fannie Mae and Freddie Mac. However, both bills also provided for funding for the NHTF to come from others dedicated sources of revenue, such as any appropriations, transfers, or credits that Congress may designate. Unfortunately, Fannie and Freddie were taken into conservatorship in the financial crisis in fall 2008 and no contributions to the NHTF were ever made. Fannie and Freddie remain in conservatorship today, and in their current form, they will never be in a position to direct funds to the NHTF.

During the presidential campaign of 2008, candidate Barack Obama advocated funding the NHTF. As President, Mr. Obama has proposed \$1 billion for the NHTF in each of his four budgets as its initial capitalization, but Congress has yet to agree to his proposal.

CURRENT FUNDING OPTIONS

There are three main options for funding the NHTF under discussion today.

1. The most immediate is to pursue the **one-time \$1 billion** that President Obama proposed in his FY13 budget and included in his housing recovery plan released on February 1, 2012. The budget calls for funding for the NHTF to come from the mandatory side of the budget, which means it will not compete with existing HUD programs that are funded through appropriations. Further, the \$1 billion will have to be offset by a spending cut or a tax increase elsewhere. No specific offset has been identified by the Administration.

One potential offset has been proposed by Senator Jack Reed (D-RI) and Representative Elijah Cummings (D-MD), who have introduced bills (S. 489 and H.R. 1477 respectively) that would fund the NHTF with proceeds from sale of Troubled Asset Relief Program (TARP) warrants. In exchange for federal TARP funds that kept banks from failing, banks gave the Treasury warrants. A warrant is the right to purchase one share of stock at a specified price. Treasury is selling these stocks bringing proceeds back to the federal government. As of March 1, 2012, 18 Senators and 48 Representatives, all Democrats, have cosponsored the bills. However, there is little chance of these bills passing as Republicans are opposed to using any funds associated with TARP for anything other than deficit reduction.

The more likely scenario is that funding for the NHTF can be attached to another bill that has bipartisan support. In 2009, the NHTF was included as one of several expenditures in a large tax bill that extended a number of business related tax breaks and offset the cost by raising taxes elsewhere. This bill passed the House of Representatives in late 2009. Several versions of this bill were offered in the Senate as 2010 wore on. All continued to include the NHTF, until the last version in the lame duck session of Congress after the 2010 election. Eventually, the business tax breaks were included in the larger tax deal struck between the White House and the Senate Republicans that extended the Bush-era tax cuts. The NHTF was dropped during these negotiations as it was tagged as new spending.

These same tax breaks must be renewed again this year. The NHTF campaign is working to make sure that the NHTF is once again included, although the political climate is not favorable. Current predictions are that nothing will happen on tax bills until after the election in another lame duck Congress.

2. The NHTF Campaign is also pursuing a dedicated source of revenue for the NHTF in **housing finance reform legislation**. There is broad agreement that Fannie Mae and Freddie Mac should cease to exist in their current form. The Obama Administration released a white paper on February 11, 2011 that offered its recommendations for the future of housing finance.

The white paper reflects the Administration's position that the federal government should play a more limited role in the general mortgage market, but continue to have a duty to help lower income households. In particular, the paper highlights the importance of rental housing and the need to expand the supply of rental housing for the lowest income households. The Administration proposes the creation of a dedicated revenue source to pay for several programs that the market would not provide on its own. It uses the NHTF as an example of the kind of program that could be funded through this dedicated revenue source. No details are offered as to where the revenue would come from for the dedicated source. The NHTF Campaign advocated extensively with the Administration that the NHTF be included in this report.

The Administration's proposal was the starting point for the legislative debate that will continue past the 2012 election. The future of Fannie Mae and Freddie Mac is a subject of disagreement among policy makers with splits along partisan lines. Because the NHTF is located statutorily in the part of the US Code that deals with Fannie and Freddie, it is vulnerable as opponents of the GSEs work to dismantle them. Indeed Representative Ed Royce (R-CA) has introduced H.R. 2441, The Housing Trust Fund Elimination Act of 2011, which is not likely to move on its own, but could be added to other GSE bill.

The NHTF campaign is monitoring the development of legislation and communicating to key Senators and Representatives that we expect the NHTF to be protected and dedicated revenue for the NHTF to be in whatever housing finance reform bill that is enacted.

3. The NHTF Campaign has endorsed **reform of the Mortgage Interest Deduction** and to direct savings realized from reform to the NHTF. The NHTF campaign supports a proposal for reform of the mortgage interest deduction developed by the National Low Income Housing Coalition that would reduce the size of a mortgage eligible for a tax break from \$1 million to \$500,000 and convert the deduction to a non-refundable tax credit set at 15%.

The mortgage interest deduction is an expensive and regressive homeowner subsidy that costs the federal government \$100 billion a year and benefits only 22% of all taxpayers and just 52% of all homeowners who pay mortgage interest. The mortgage interest deduction has long been considered a sacred cow, but there are numerous calls for its reform today. It is on the table as part of the debate on deficit reduction, as well as in conjunction with examination of the role of the federal government in subsidizing home ownership.

These changes would mean that all homeowners with mortgages would get a tax break, not just those who have enough income to file itemized tax returns. The number of homeowners with mortgages who would get tax breaks would increase from 37 million to 52 million, with 94% of the increase being households with incomes less than \$100,000 a year.

These changes would also save approximately \$30 billion a year that could be directed to the NHTF. An investment of this size would expand the supply of rental homes that the lowest income households can afford by 3.5 million over 10 years, ending the housing shortage for this population.

Congressman Keith Ellison (D-MN) will introduce legislation in the House this year that is based on NLIHC's proposal.

PROGRAM SUMMARY

The purpose of the NHTF is to increase and preserve the supply of rental housing for extremely low and very low income families, including homeless families, and to increase homeownership for extremely low and very low income families.

The NHTF is a permanent program with dedicated source(s) of funding not subject to the annual appropriations process. Some of the NHTF's most important features are:

- At least 75% of the funds for rental housing must benefit extremely low income (ELI) households (those with incomes below 30% of area median income, or AMI), or households with incomes below the federal poverty level. All funds must benefit very low income (VLI) households (those with incomes below 50% of AMI).
- At least 90% of the funds must be used for the production, preservation, rehabilitation, or operation of rental housing.
- Up to 10% can be used to produce, preserve, or rehabilitate housing for first-time homebuyers, or to provide them with down payment, closing cost, or interest rate buy-down assistance.

The NHTF is a block grant to states. The amount that each state will receive is based on a statutory formula containing factors reflecting the number of ELI and VLI renter households with severe cost burden (paying more than 50% of their income for rent) as well as the shortage of rental properties affordable and available to ELI and VLI households, with priority for ELI households. No state or the District of Columbia can receive less than \$3 million.

A proposed allocation formula mirroring the statutory factors was published in the *Federal Register* on December 4, 2009 and included in proposed implementation regulations on October 29, 2010. NLIHC has calculated the percentage of an allocation of \$1 billion that might be distributed to each state, the District of Columbia, Puerto Rico, and the other territories. A chart with these amounts is at the end of this article.

States must designate an agency (such as a housing finance agency, housing and community development entity, tribal designated housing entity, or any other qualified agency) to administer the NHTF grants. No more than 10% of a state's annual grant may be used for overall administration and planning of the program.

Each state must prepare an annual Allocation Plan following basic public participation requirements, which include:

- Notifying the public that an Allocation Plan will be drafted.
- Providing the public an opportunity to make comments about the plan.
- Considering public comments.
- Making the completed Allocation Plan available to the public.

The Allocation Plan must indicate how the state will distribute NHTF resources based on its priority housing needs. It must also indicate how the state will select applications for NHTF projects by giving priority for funding based on six factors:

- Geographic diversity.
- The applicant's ability to obligate NHTF dollars and undertake funded activities in a timely manner.
- The extent to which rents will be affordable in the proposed project, especially for ELI households.
- The length of time rents will remain affordable in the proposed project.
- The use of other funding sources in the proposed project.
- The merits of an applicant's proposed activity.

Eligible 'recipients' of grants from states are organizations and agencies (nonprofit and for-profit) that demonstrate:

- The experience and capacity to produce the kind of housing called for by the program.
- The financial capacity to undertake the eligible activity.
- Familiarity with federal, state, and local housing programs.

Funds must be committed within two years; uncommitted funds will be reallocated to other states. All assisted projects must comply with laws relating to tenant protections and tenant rights to participate in decision making regarding their residences. The NHTF program must comply with the overarching laws pertaining to fair housing and to accessibility to federally assisted housing, including Section 504 and the Rehabilitation Act of 1973.

NHTF funds cannot be used for political activities, lobbying, counseling, traveling, project administrative expenses, or endorsements of a particular candidate or party.

The statute requires each state to submit an annual report to HUD that describes the activities assisted with NHTF money and that demonstrates compliance with the state's Allocation Plan. This report must be available to the public. States must ensure that recipients submit periodic financial and project reports, and conform to audit and record retention requirements.

PROPOSED REGULATIONS

HUD issued proposed regulations to implement the NHTF on October 29, 2010, which can be found at: <http://edocket.access.gpo.gov/2010/pdf/2010-27069.pdf>. HUD officials report that the final rule will be issued in the summer of 2012. The NHTF rule would be inserted as a subpart of the existing HOME program regulations.

Many organizations, including NLIHC, submitted formal comments to HUD regarding the proposed regulations to implement the NHTF. NLIHC applauded the department for requiring ELI households to occupy 100% of rental and homeowner units produced in the program's first year. However, NLIHC and others raised several concerns.

NLIHC's major objection to the proposed rule is the failure to base rents on tenant income, specifically on the 'Brooke rule,' which limits the amount an assisted household should spend on rent and utilities to no more than 30% of their income. HUD proposed rents be set at 30% of the greater of 30% of the federal poverty line or 30% of area median income.

Under HUD's proposal, families or individuals with income that is substantially less than 30% of area median income will be faced with high housing cost burdens. For example, people whose income is Supplemental Security Income (SSI) are at 18.6% of the national median income. Without income-based rents, most of the people who the NHTF are intended to serve will not benefit because the rents would be far more than what they could afford.

HUD proposed requiring NHTF-assisted units to be affordable for only 30 years. NLIHC urged 50-year affordability periods with preferences for projects with longer timeframes. HUD's proposed rule limits the use of NHTF dollars for operating assistance to 20% of a jurisdiction's allocation, as recommended by the NHTF Campaign in 2008. However, the proposed rule would not limit operating assistance to units occupied by ELI households paying Brooke rents. This could result in ongoing operating subsidies supporting units unaffordable to ELI households, an outcome at odds with NHTF's fundamental purpose.

NLIHC opposed HUD's proposal to allow use of NHTF dollars for transitional housing. The statute does not specifically allow transitional housing, but does declare that the program's purpose is to increase and preserve the supply of rental and homeowner housing, especially for ELI households. This strongly implies that permanent housing is the goal.

NLIHC noted its disappointment that public housing agencies were not explicitly listed as eligible recipients, but commended HUD for prohibiting use of NHTF resources to create or rehabilitate public housing units. These units are extremely important, but using NHTF dollars to rehabilitate or operate them will not increase housing opportunities for those with the lowest incomes. It could also result in the overall loss of resources if Congress reduced appropriations for public housing due to the availability of the NHTF.

NLIHC was pleased that the proposed rule would require states to distribute NHTF resources based on priority housing needs, and require grantees and subgrantees to choose applications for funding based on priorities such as geographic diversity. However, these provisions are not sufficient to ensure that rural housing needs are met. NLIHC suggested that the final rule directly require states to allocate NHTF resources based on relative need in both rural and urban areas.

NLIHC commented on the technical aspects of many features, including subgrantees, transit oriented development, allocation plans, public participation, tenant protection, record keeping and performance reports. NLIHC's comment letter is available at: <http://nlihc.org/article/nlihc-submits-comments-nhtf-proposed-rule>.

Hopefully, the final rule that will come out in summer 2012 will reflect the changes urged by NLIHC and others.

WHAT ADVOCATES NEED TO KNOW NOW

Funding. Advocates should focus on getting the NHTF funded with dedicated sources of revenue of sufficient amounts to bring the program to the scale. These sources must be outside the standard appropriations process so as not to supplant existing HUD programs.

Regulations. Once Congress provides funding and the regulations are finalized, the role of local advocates will become even more important. Advocates will need to influence their state Allocation Plans and monitor their implementation to assure that funds are spent primarily to expand the supply of rental housing affordable for extremely low income people.

WHAT TO SAY TO LEGISLATORS

- There is an acute shortage of rental housing that extremely low income households can afford, which causes housing instability and homelessness. The need for the NHTF is urgent.
- Investment in the NHTF will not only expand housing supply; it will also create new jobs in the construction trades and in operation of the new housing developments.
- Congress should immediately pass legislation to provide \$1 billion to capitalize the NHTF.
- Congress should identify dedicated sources of revenue for the NHTF sufficient to build or preserve 3.5 million units of rental housing affordable to extremely low income households over 10 years.

TIPS FOR LOCAL SUCCESS

The governor (or legislature) in each state will designate which agency (state housing finance agency, housing and community development entity, tribal-designated housing entity, or any other qualified agency) will administer the NHTF. Advocates should express their views on the agency they think would do the best job with the NHTF. Even before the final program regulations are published, advocates should begin talking with officials at that state agency about how the required Allocation Plan will be developed based on priority housing needs, and about how the Allocation Plan will address geographic diversity, affordability, and duration of affordability.

Advocates should also suggest to state officials how the minimum required public participation should be carried out, and in fact recommend features beyond the minimum in order to ensure meaningful, genuine public involvement.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

National Housing Trust Fund • www.nhtf.org

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

The Community Development Block Grant (CDBG) program is a federal program aimed at creating viable communities by providing funds to improve housing, the living environment and economic opportunities, principally for persons with low and moderate incomes. At least 70% of the CDBG funds received by a jurisdiction must be spent to benefit people with low and moderate incomes.

ADMINISTRATION

The CDBG program is administered by HUD's Office of Community Planning and Development (CPD).

HISTORY

The CDBG program was established under Title I of the Housing and Community Development Act of 1974, which combined several existing programs (such as Urban Renewal and Model Cities) into one block grant. This change was designed to provide greater flexibility in the use of federal dollars.

PROGRAM SUMMARY

The primary objective of the CDBG program is to create viable communities by providing funds to improve housing, the living environment, and economic opportunities principally for persons with low and moderate incomes.

Eligible activities. CDBG funds can be used for a wide array of activities, including housing rehabilitation (such as loans and grants to homeowners, landlords, nonprofits and developers); new housing construction by certain neighborhood-based nonprofits; down payment assistance and other help for first-time home buyers; lead-based paint detection and removal; purchasing land and buildings; constructing or rehabilitating public facilities such as shelters for people experiencing homelessness or victims of domestic violence; making buildings accessible to those who are elderly or disabled; public services such as job training, transportation, healthcare and child care (public services are capped at 15% of a jurisdiction's CDBG funds); capacity building for nonprofits; rehabilitating commercial or industrial buildings; and loans or grants to businesses.

Formula allocation. The program's emphasis on people with low incomes is reinforced by the formulas that determine how much money local jurisdictions and states receive. The formulas are based on factors heavily weighted by the degree of poverty and indicators of poor housing conditions in a jurisdiction. Seventy percent of each annual appropriation is automatically distributed to cities with more than 50,000 in population and counties with more than 200,000. These are called entitlement jurisdictions. The remaining 30% goes to states for distribution to their small towns and rural counties.

Beneficiaries. At least 70% of the CDBG funds received by a jurisdiction must be spent to benefit people with low and moderate incomes. The remaining 30% can also benefit people with lower incomes, or it can be used to aid in the prevention or elimination of slums and blight (often used by local governments to justify downtown beautification) or to meet an urgent need such as hurricane, earthquake or flood relief.

'Low and moderate income' is defined as household income below 80% of the area median income (AMI), which can be quite high. In FY12, for instance, 80% of AMI in Cincinnati is \$57,050. AMI in some jurisdictions is so high (e.g. the AMI in the Lowell, MA, metro area is \$92,900) that HUD caps the qualifying household income at the national median income, which is \$65,000 for a four-person household.

A CDBG activity is counted as benefiting people with low and moderate incomes if it meets one of four tests:

(1) *Housing Benefit.* If funds are spent to improve a single-family home, the home must be occupied by a low or moderate income household. In multifamily buildings, at least 51% of the units must be occupied by low or moderate income households. In addition, the housing must be affordable, as defined by the jurisdiction. In FY11, only 25% of CDBG was allocated for some type of housing program, 1.75% for multi-unit rehabilitation and 12.82% for single-unit rehabilitation. In recent decades about 26% was allotted for some type of housing program, a decline from 35% in CDBG's early decades.

(2) *Area Benefit.* Some CDBG-eligible projects, such as road and park improvements, can be used by anyone. To judge whether such a project primarily benefits people with lower incomes, HUD looks at the project's service area. If 51% of the residents in the activity's service area are people with lower incomes, then HUD assumes people with lower incomes benefit. The regulations provide several ways to challenge that assumption. The primary challenge is to show that the full range of direct effects of the activity do not benefit people with lower incomes.

(3) *Limited Clientele.* A service or facility assisted with CDBG funds must be designed so that at least 51% of its users have lower incomes. The three most common ways to meet this test are to (1) limit participation to people with lower incomes, (2)

show that at least 51% of the beneficiaries are lower income, or (3) serve a population that HUD presumes is lower income, including abused children, domestic violence victims, people with disabilities, illiterate individuals, migrant farm workers, and seniors. Advocates can challenge a presumed benefit claim if an activity does not really benefit people with low incomes.

(4) *Job Creation or Retention*. If job creation or retention is used to justify spending CDBG money, then at least 51% of the resulting jobs on a full-time-equivalent basis must be filled by or be available to people with lower incomes. ‘Available to’ means either the job does not require special skills or a particular level of schooling, or the business agrees to hire and train people with lower incomes. Those with lower incomes must receive first consideration for the jobs.

Public participation. Every jurisdiction must have a public participation plan that describes how the jurisdiction will provide for and encourage involvement by people with lower incomes. Public hearings are required at all stages of the CDBG process. Hearings must give residents a chance to articulate community needs, review the proposed uses of CDBG funds and comment on the past uses of these funds. There must be adequate public notice to people who are likely to be affected by CDBG-funded projects, and people must be given reasonable and timely access to information. In particular, advocates should get a copy of the draft Annual Action Plan and the latest Grantee Performance Report (GPR). Many jurisdictions will try to deny the public copies of the GPR; it must be made available. The GPR also goes by the name ‘IDIS Report C04PR03.’

Funding. For FY12, Congress appropriated \$2.95 billion for the CDBG formula program, a 12% reduction from the FY11 amount of \$3.34 billion.

WHAT ADVOCATES NEED TO KNOW NOW

Because only 70% of CDBG funds must benefit people with low or moderate incomes, and because all of the funding could benefit people with moderate incomes, many of the lowest income households realize little benefit from the program. Locally, people can organize to get 100% of a jurisdiction’s CDBG dollars to be used for activities that benefit people with lower incomes and can strive to have more of the dollars used to benefit people with extremely low incomes.

The public participation process can be used to organize and advocate for more CDBG dollars to be used for the kinds of projects people with lower incomes really want in their neighborhoods, and then to monitor how funds are actually spent. To do this, advocates should obtain and study the jurisdiction’s Annual Action Plan, which lists how a jurisdiction plans to spend CDBG funds in the upcoming year, and the Grantee Performance Report (C04PR03), which lists how CDBG money was spent in the previous year. These documents must be available to the public from the staff in charge of CDBG in local jurisdictions.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

HUD’s CDBG webpage: <http://1.usa.gov/zG0EkI>

HUD’s Entitlement Cities Division • 202-708-1577 • <http://1.usa.gov/AzWYqh>

HUD’s States and Small Cities Division • 202-708-1322 • <http://1.usa.gov/AeQ3YQ>

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

By *Corey Carlisle, Director of Federal Policy and Government Affairs, Low Income Investment Fund*

The Community Development Financial Institutions (CDFI) Fund is comprised of six programs designed to expand the capacity of financial institutions to provide credit, capital and financial services to underserved populations and communities in the United States.

ADMINISTRATION

The CDFI Fund is housed in the Department of Treasury.

HISTORY

The CDFI Fund was authorized by the Riegle Community Development Banking and Financial Institutions Act of 1994.

PROGRAM SUMMARY

To understand the CDFI Fund it is first necessary to describe CDFIs and what they do. Community Development Financial Institutions, or CDFIs, are specialized private sector financial institutions that serve economically disadvantaged communities and consumers. CDFIs assume many different forms, including banks, community development corporations, credit unions, loan funds, venture capital funds, and microenterprise loan funds.

United by a primary mission of community development, CDFIs work where conventional financial institutions do not by providing financial services coupled with financial education and technical assistance to help alleviate poverty for economically disadvantaged people and communities. CDFIs offer responsible alternatives to predatory lenders, providing necessary services at a fraction of the cost. CDFIs implement capital-led strategies to fight poverty and to tackle tough economic infrastructure issues such as quality affordable housing, job creation, wealth building, financial literacy and education, and microenterprise development and training.

CDFIs also provide basic financial services to the unbanked. CDFI customers include small business owners, nonprofits, affordable housing developers and low income individuals. Nearly 70% of CDFI customers are low income persons, 59% are racial minorities, and 52% are women. CDFIs operate in all 50 states and the District of Columbia.

PROGRAMS SUMMARY

The CDFI Fund operates six primary programs designed to both build the capacity of CDFIs and increase private investment in distressed communities nationwide. These programs include the CDFI Program, the Native Initiatives Program, the Bank Enterprise Award Program, the New Markets Tax Credit Program, the Capital Magnet Fund Program, and the Healthy Food Financing Initiative. The CDFI Fund is the largest single

source of funding for CDFIs and plays an important role in attracting and securing non-federal funds for CDFIs.

The CDFI Fund is unique among federal programs because it takes an entrepreneurial approach to its programming, funding and strengthening of institutions rather than specific projects. CDFIs match the federal investment from the CDFI Fund multiple times over with private money, using these funds to revitalize communities through investment in affordable housing, small businesses and community facilities, and by providing retail financial services to low income populations.

CDFI Program. The CDFI Program is comprised of two components: Financial Assistance (FA) and Technical Assistance (TA). Through these two components, the CDFI Program provides loans, equity investments, and grants to CDFIs to support their capitalization and capacity building, enhancing their ability to create community development opportunities in underserved markets. CDFIs compete for federal support based on their business plans, market analyses, and performance goals.

FA awards are for established, certified CDFIs and are used for economic development, affordable housing and community development financial services. FA awards must be matched at least one-to-one with non-federal funds. TA awards are for start-up or existing CDFIs and are used to build capacity to serve their target market through the acquisition of goods and services such as consulting services, technology purchases, and staff or board training. The FY12 funding level for this program is \$146 million.

Native Initiatives (NACA) Program. The NACA Program provides technical assistance and financial assistance to CDFIs serving Native American populations. NACA supports CDFIs' expansion of access to capital and financial services in Native American communities nationwide. The NACA Program also includes investments in training and resource materials to help Native American organizations and other entities implement and sustain Individual Development Account (IDA) matched savings programs. The CDFI Fund began awarding technical assistance grants to Native American CDFIs in FY02, then added financial assistance in FY04. The FY12 funding level for this program is \$12 million.

Bank Enterprise Award (BEA) Program. The BEA Program was created in 1994 to support FDIC-insured financial institutions around the country that are dedicated to financing and supporting community and economic development activities. The BEA Program complements the community development activities of insured depository institutions (i.e., banks and thrifts) by providing financial incentives to expand investments in CDFIs and to increase lending, investment, and service activities within economically distressed communities. Providing monetary awards for increasing community development activities leverages the Fund's dollars and puts more capital to work in distressed communities throughout the nation. The FY12 funding level for this program is \$18 million.

New Markets Tax Credit (NMTC) Program. Congress established the New Markets Tax Credit (NMTC) program as part of the Community Renewal Tax Relief Act of 2001 to encourage investors to make investments in low income communities that traditionally lack access to capital. Conventional access to credit and investment capital for developing small businesses, retaining jobs, and revitalizing neighborhoods is often limited in economically distressed communities or in communities with large low income populations. The NMTC provides investors (financial institutions, corporations, etc.) with a tax credit for investing in a Community Development Entity (CDE) that, in turn, reinvests the funds in qualified low income communities. CDEs are domestic partnerships or corporations with a primary mission of serving or providing investment capital for low income communities or low income persons. CDEs use capital derived from the tax credits to make loans to or investments in businesses and projects in low income areas.

The NMTC program is administered by the CDFI Fund, which allocates tax credit authority—the amount of investment for which investors can claim a tax credit—to CDEs that apply for and obtain allocations. To date, the CDFI Fund has made 594 awards totaling \$29.5 billion in allocation authority. Under the current statute, the NMTC expires at the end of each calendar year, unless Congress acts to extend the program. A \$3.5 billion allocation was made available for 2011, but thus far the program has not been extended for 2012.

Capital Magnet Fund (CMF) Program. Created through the Housing and Economic Recovery Act (HERA) of 2008, the CMF is one of the newest CDFI programs. Through the CMF, the CDFI Fund provides competitively awarded grants to CDFIs and qualified nonprofit housing organizations. CMF awards can be used to finance affordable housing activities as well as related economic development activities and community service facilities. Awardees will be able to utilize financing tools such as loan loss reserves, loan funds, risk-sharing loans, and loan guarantees to produce eligible activities whose aggregate costs are at least 10 times the size of the award amount.

As with the National Housing Trust Fund (NHTF), funding for the CMF is provided by the GSEs. Since Fannie Mae and Freddie Mac have been in conservatorship since the authorizing statute creating those programs became law, for FY10 the Administration requested and Congress approved an initial \$80 million to capitalize the CMF. Later that same year, \$80 million in awards were announced to 23 CDFIs and nonprofit housing organizations, which will leverage up to \$1.6 billion for the financing of affordable housing within underserved communities and help put under-served neighborhoods on the path to recovery and revitalization.

There was no additional funding for the CMF in FY12. As with the NHTF, advocates are looking to restore funding for the CMF through proposals to reform the housing finance system so the funds are not beholden to the appropriations process.

CDFI Healthy Foods Financing Initiative. Last year saw the launch of the CDFI Healthy Food Financing Initiative, part of the multi-agency Healthy Food Financing Initiative (HFFI), which provides grants to CDFIs focused on developing solutions for increasing access to affordable healthy foods in low income communities. The HFFI is an interagency initiative involving the U.S. Department of the Treasury, the U.S. Department of Agriculture, and the U.S. Department of Health and Human Services. HFFI represents the federal government's first coordinated step to eliminate 'food deserts' by promoting a wide range of interventions that expand the supply of and demand for nutritious foods, including increasing the distribution of agricultural products, developing and equipping grocery stores and strengthening producer-to-consumer relationships.

In September 2011, the CDFI Fund awarded \$25 million in HFFI grants to 12 CDFIs through the CDFI Program. The FY12 funding level for this program is \$22 million.

FUNDING

The appropriation for the CDFI Fund in FY12 is \$221 million, which is relatively the same level as the previous two years; and allocations for the NMTC Program in 2011 were \$3.5 billion. Considering the austere budget environment for all domestic discretionary funds, these funding levels represents a dramatic turnaround from budgets only a few years ago that called for elimination of the CDFI Fund. The Bush administration demonstrated opposition to the continued existence of the CDFI Fund grant programs, but with broad bipartisan support, the CDFI Fund remained funded, although at lower appropriations levels.

Applications for CDFI Fund awards consistently exceed the supply of funds. Since 1996, applicants to the CDFI Program have requested more than four times the amount awarded. Last year, the CDFI Fund received a total of 314 applications for the 2011 round of the NMTC Program, which was the most they had received since 2002 and represents an increase of 26% over the prior year's total applications.

WHAT TO SAY TO LEGISLATORS

Advocates should contact Members of Congress, especially members of the Senate and House Appropriations Committees, to encourage support for sustained funding of the CDFI Fund to help meet the demand for financial services and capital in low income communities.

In addition, the NMTC expired on December 31, 2011. Advocates should urge Members of Congress to support extending the NMTC for at least one year with an additional \$3.5 billion in Credit authority for 2012.

Finally, CDFIs design innovative products that offer responsible alternatives to predatory lenders, providing homeownership and financial opportunities to underserved individuals and communities. Advocates can play an active role in helping to communicate the positive role of CDFIs in low-wealth markets.

FOR MORE INFORMATION

The CDFI Fund • 202-622-6355 • www.cdfifund.gov

Opportunity Finance Network • 215-923-4754 • www.opportunityfinance.net

CDFI Coalition • 202-393-5225 • www.cdfi.org

Find local CDFIs at: <http://bit.ly/yf7c5w>

COMMUNITY REINVESTMENT ACT

By Josh Silver, Vice President of Research and Policy, National Community Reinvestment Coalition

The Community Reinvestment Act (CRA) affirms that banks have continuing and affirmative responsibilities to meet the credit needs of low and moderate income (LMI) neighborhoods in a manner consistent with safety and soundness. Congress has considered updating this critical law to strengthen CRA as applied to banks and expand CRA to non-bank financial institutions. The federal bank regulatory agencies are also considering revisions to the CRA regulations and are expected to propose changes this year.

ADMINISTRATION

Three bank regulatory agencies are responsible for ensuring that banks and savings and loan institutions comply with CRA regulations: the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC). The Office of Thrift Supervision (OTS) was formerly the regulatory agency for savings and loans; the OCC assumed the OTS responsibilities for overseeing savings and loans in July 2011.

HISTORY AND PURPOSE

Congress passed the Community Reinvestment Act in 1977 at a time when many banks and other financial institutions would routinely 'redline' communities, refusing to invest in them or to extend credit to their residents. Since its enactment, CRA has been the main law for increasing the flow of private capital and expanding access to banking services in minority and LMI communities.

PROGRAM SUMMARY

CRA examinations. CRA directs the federal bank regulatory agencies to evaluate the extent to which banks and savings institutions are meeting local credit needs. The federal agencies also consider banks' CRA records when ruling on merger applications. A weak CRA record may be grounds for denying a merger application. While denials are rare, federal agencies occasionally approve the merger application subject to specific pledges to improve CRA and fair lending performance.

Under the CRA, large banks and saving institutions with assets over \$1 billion are evaluated by three tests that measure performance in LMI communities: the lending test, the investment test and the service test. The lending test evaluates a bank's record of meeting credit needs of its community or assessment area(s) through home mortgage, small business, and small farm lending, as well as financing of community development projects such as the construction of rental units. The investment test evaluates the number and responsiveness of investments, including Low Income Housing Tax Credits and equity investments in small businesses. The service test evaluates the availability and effectiveness of bank branches, basic banking services such as low-cost deposit accounts, and community development services in LMI communities.

Mid-size banks with assets between \$250 million and \$1 billion (asset range is adjusted annually for inflation) have a lending test and a community development test that combines elements of the large bank investment and service test. Finally, small banks with assets less than \$250 million have a streamlined lending test only.

A bank or thrift with assets greater than \$250 million undergoes a CRA exam about once every two years. Small banks with assets less than \$250 million are examined about once every four or five years.

CRA exams give one of four ratings: Outstanding, Satisfactory, Needs-to-Improve, or Substantial Noncompliance. The last two ratings are considered failing ratings. On a state or metropolitan level, a bank can also receive a 'Low' or 'High' Satisfactory rating. Even a passing rating, such as Satisfactory or Low Satisfactory on a state level, can motivate a bank to do better and strive for an Outstanding rating since ratings influence banks' public relations and business strategies. For example, banks compete to receive deposits from state and local government agencies; having an Outstanding CRA rating helps a bank win substantial business from public agencies interested in promoting neighborhood revitalization. Community groups' comments can influence ratings and therefore motivate banks to bolster their performance.

CRA exams are available to the public and can be obtained online via www.ffiec.gov. The general public is encouraged to comment on CRA exams and the federal agencies post lists every quarter of upcoming CRA exams. In addition, community organizations and members of the general public can comment on bank merger applications being reviewed by the federal regulatory agencies.

Each of the four agencies enforcing CRA provide links to the CRA regulation for download. In addition, the regulatory agencies in combination publish an Interagency Question and Answer on CRA detailing how banks are to report data, CRA exam criteria, and how specific types of bank loans, investments, and services can qualify for points on CRA exams.

RESULTS

Because it holds lenders publicly accountable and empowers citizens and communities to engage in the regulatory process, CRA has been effective in increasing access to credit and capital for traditionally underserved communities.

CRA agreements are bank commitments to make specific numbers and dollar amounts of loans, investments, and services in minority and LMI communities over a specified time period. The National Community Reinvestment Coalition (NCRC) calculates that since 1977, community groups and banks have negotiated more than \$6 trillion in CRA agreements.

The Treasury Department found that CRA-covered lenders increased their home mortgage loans to LMI areas and borrowers by 39% from 1993 to 1998, more than twice the increase (of 17%) to middle and upper income borrowers and areas. Moreover, since 1996, banks have made community development loans totaling more than \$480 billion. They also made small business loans of more than \$640 billion in LMI neighborhoods.

The Federal Reserve has demonstrated that CRA-covered banks are less likely to issue high-cost and risky loans than independent mortgage companies not covered by CRA. In previous years, the Federal Reserve found that only 6% of all high-cost loans were issued by banks and were considered on bank CRA exams. The great majority of high-cost loans were issued by independent mortgage companies not covered by CRA. CRA exams encourage safe and sound lending by penalizing banks for illegal and abusive loans and awarding banks for counseling and foreclosure prevention. If non-bank lenders had gone through similar exams, they would have made fewer abusive loans, meaning the foreclosure crisis would have been less severe.

WHAT ADVOCATES NEED TO KNOW NOW

CRA modernization. Representatives Eddie Bernice Johnson (D-TX) and Luis Gutierrez (D-IL) introduced H.R. 1479, the Community Reinvestment Modernization Act of 2009, in March of 2009. With 60 co-sponsors, this was a comprehensive bill strengthening CRA as applied to banks and applying CRA to a variety of non-bank institutions.

One important way to strengthen CRA as applied to banks is by expanding the geographical coverage of CRA exams. H.R. 1479 would ensure that the great majority of loans issued by banks are scrutinized on CRA exams. The bill would require CRA exams to evaluate an institution's lending in geographical areas where they provide loans through brokers, correspondents, or through the internet. Presently, institutions are evaluated only in areas where they have bank branches. Examining a broad range of geographical areas is important because research has shown that banks make more prime, responsible loans to LMI borrowers in geographical areas on CRA exams than in areas not on exams.

Towards the end of the 111th Congress, Mr. Gutierrez, Representative Maxine Waters (D-CA), Representative Al Green (D-TX), and Ms. Johnson introduced H.R. 6334, the American Community Investment Reform Act of 2010. Like H.R. 1479, H.R. 6334 would also apply CRA to a variety of non-bank institutions including independent mortgage companies, mortgage company affiliates of banks, and securities firms. If these non-bank institutions had been subject to CRA requirements sooner, the foreclosure crisis would have been less severe because CRA requires institutions to serve communities in a manner consistent with safety and soundness. In addition, applying CRA to a large segment of the financial industry would increase responsible lending and investing in communities by hundreds of billions of dollars.

Under H.R. 6334, institutions would also be penalized with lower ratings for offering products that were unfair, deceptive, or abusive. CRA grading would be made more rigorous by the introduction of a fifth rating, by requiring a bank to apply if it wished to receive the top rating of Outstanding, and by providing the opportunity for the general public to review and comment upon preliminary exams, whereas currently, only banks have the opportunity to comment upon preliminary exams before an exam is finalized.

TIPS FOR LOCAL SUCCESS

Use CRA in your work. CRA is vital to promoting safe and sound lending and investing in communities. Community organizations are encouraged to comment on CRA exams and merger applications. These comments should describe the local credit and banking service needs and whether banks are meeting those needs. Additionally, organizations should establish and expand upon dialogues with CRA officers at banks in their service areas to see how banks can increase their support of affordable housing.

Supporters of this law should promote CRA in letters to the editor or opinion pieces in their local papers. They should also affirm the value of CRA for foreclosure prevention, affordable housing, and economic development during town hall meetings or other public events in their communities.

WHAT TO SAY TO LEGISLATORS

Call your Members of Congress and ask to speak to the person who deals with banking or housing policy with the message that strengthening the Community Reinvestment Act (CRA) is vital to continued wealth building, housing and economic development in our neighborhoods. CRA serves as an antidote to foreclosures by requiring safe and sound lending and investing.

During the 112th Congress your member should:

- *Oppose bills that would weaken or repeal CRA.* Representative Jeb Hensarling (R-TX), Vice Chairman of the House Financial Services Committee, introduced a bill in the 111th Congress that would repeal CRA. Expect similar bills in the 112th Congress from opponents of CRA.

- *Support bills that update CRA.* It is expected that bills similar to H.R. 1479 and H.R. 6334 to be reintroduced in the 112th Congress.

WHAT TO SAY TO REGULATORS

During the 112th Congress, it is also likely that the federal bank agencies will propose regulatory changes to CRA. The agencies held hearings in the summer of 2010 on possible changes to CRA and are in the process of drafting a proposed rule that is expected to be released this year for public comment. We expect them to address the geographical coverage of CRA exams, the components of CRA exams, and how exams consider community needs and data on housing and economic conditions. When the rule is proposed, the agencies will conduct a 60 to 90 day comment period. The National Community Reinvestment Coalition will provide sample statements and technical assistance to community organizations to help them prepare comments.

FOR MORE INFORMATION

- National Community Reinvestment Coalition •
202-628-8866 • www.ncrc.org

- For CRA exam results: www.ffiec.gov

DISASTER HOUSING PROGRAMS

By Sham Manglik, Policy Analyst, National Low Income Housing Coalition

More than six years after the 2005 Gulf Coast hurricanes, Katrina and Rita, there remains an overall lack of rental housing affordable for Gulf region households with extremely low incomes. In addition to addressing remaining housing needs in the aftermath of the hurricanes, there is also the unfinished business of redesigning how federal, state and local governments plan for and respond to housing issues in future disasters.

FEDERAL PROGRAMS

U.S. Department of Homeland Security

In 2003, FEMA, a federal agency since 1979, became part of the U.S. Department of Homeland Security (DHS). FEMA's mission under DHS is to lead the effort to prepare the nation for all potential disasters and to manage the federal response and recovery efforts following any national disaster, whether natural or manmade. Agencies and programs under its purview include the National Flood Insurance Program and the U.S. Fire Administration.

FEMA provides immediate, direct financial and physical assistance to those affected by disasters and has the responsibility for coordinating government-wide relief efforts, all based on the Stafford Disaster Relief and Emergency Assistance Act (Stafford Act, Public Law 100-707). The act was designed to bring a systemic means of federal natural disaster assistance to state and local governments.

Individuals and Households Program (IHP). The Stafford Act authorizes FEMA to provide four types of housing assistance under IHP:

1. Temporary housing assistance, which is split into two subsections:
 - a. Financial assistance, which provides lodging expenses reimbursement for hotel/motel stays or rental assistance for a temporary rental unit.
 - b. Direct assistance, which provides temporary housing units, such as trailers or mobile homes, when financial assistance cannot be used due to a lack of sufficient available housing resources. Such assistance can last up to 18 months after a major disaster, but can be extended in extraordinary circumstances.
2. Home repair cash grants, available to homeowners for damage not covered by insurance and targeted to repair the home to a living condition, not necessarily the pre-disaster condition.
3. Home replacement cash grants, available to homeowners for damage not covered by insurance.
4. Permanent or semi-permanent housing construction grants, reserved for areas identified by FEMA as insular or remote areas, where the other types of housing assistance are unavailable, infeasible, or not cost-effective.

The total cash grant FEMA can provide per individual or household through IHP is statutorily capped at \$28,800 in

2008 dollars and adjusted each year for inflation. Under this program, FEMA can also offer 'other needs assistance' to cover medical, dental and funeral expenses; transportation costs; and repair or replacement of personal property, such as household items and clothing.

Public Assistance for Permanent Work Program. FEMA offers grants to state and local governments for restoring damaged facilities, which could include repair funds for public housing agencies (PHAs).

Hazard mitigation programs. In order to reduce the risk of damage and reliance on federal recovery funds in future disasters, FEMA administers two programs of primary importance to housing: the Hazard Mitigation Grant Program (HMGP) and the Pre-Disaster Mitigation (PDM) program. HMGP provides state and local governments, along with certain eligible nonprofit organizations, the opportunity for long-term mitigation funds following a federally declared disaster. Uses of HMGP include property acquisition and demolition or relocation, structure elevation, and structural retrofitting.

Unlike HMGP, PDM is available to state and local governments independent of the occurrence of a disaster. The program supports sustained pre-disaster mitigation work in communities and can generally be used in the same manner as HMGP funds.

Along with other government agencies, FEMA may provide disaster victims with low interest loans, veterans' benefits, tax refunds, excise tax relief, unemployment benefits, crisis counseling and free legal assistance.

HUD

Under current federal disaster response plans, HUD joins forces with other federal and state agencies to aid in the implementation of disaster recovery assistance. HUD provides housing and community development resources through Federal Housing Administration (FHA) loans and forbearance policies; Public and Indian Housing (PIH) resources, including assistance to PHAs; and Community Planning and Development's (CPD) Community Development Block Grant (CDBG) and HOME funds.

Disaster CDBG. In recent major disasters, Congress specially appropriated CDBG funds, which became the primary source

of housing recovery used by affected states. Only 50% of these recent disaster CDBG funds were required to benefit persons with low or moderate income (below 80% of area median income), lower than the requirement for the regular CDBG program; HUD maintained the authority to waive this low or moderate income benefit.

Capital Fund Emergency/Natural Disaster Funding Program. HUD maintains a Capital Fund Emergency/Natural Disaster Funding Program within the Public Housing Capital Fund that can, among other uses, provide PHAs with assistance to rebuild public housing damaged in a disaster. FY10 appropriations allowed for funding not to exceed \$20 million, with the Administration's FY11 and FY12 budget requests calling for the same.

U.S. Small Business Administration

The U.S. Small Business Administration (SBA) can provide physical disaster loans to cover uninsured or uncompensated losses of a home or personal property. A homeowner can apply for a loan to repair or rebuild his primary residence to its pre-disaster condition based on the verified losses. The loan amount can increase by as much as 20% to help the homeowner rebuild in a manner that protects against damage from future disasters of the same kind, up to a maximum of \$200,000. Similar loans are available to business owners, including rental property owners and nonprofit organizations, for real estate and personal property loss up to a maximum of \$2 million. Both homeowners and renters can apply for loans, up to \$40,000, to replace personal property (anything not considered real estate or part of the structure of the home) lost in a disaster. The interest rate on SBA physical disaster loans will depend upon the applicant's ability to secure credit from another source. The SBA is not able to provide grants or forgivable loans.

U.S. Department of Agriculture

The U.S. Department of Agriculture (USDA) provides loans, grants and loan servicing options to its loan borrowers and their tenants or grant recipients.

U.S. Department of the Treasury

Though without a permanent disaster recovery program, the U.S. Department of the Treasury (Treasury) has provided special low income housing tax credits and other tax incentives after recent major disasters. In the case of hurricanes Katrina and Rita, Treasury established Gulf Opportunity (GO) Zone tax credits, GO Zone tax-exempt bonds, and additional New Markets Tax Credits to help rebuild housing.

Outlook for Future Disasters. On September 23, 2011, FEMA released its final National Disaster Recovery Framework (NDRF), which outlines the process by which the federal government supports disaster recovery efforts. A companion to the National Response Framework, which focuses on immediate response, the NDRF provides guidance on roles

and responsibilities of all stakeholders, from every level of government to affected individuals themselves. It calls for clearer, more comprehensive communication between stakeholders and local government leadership in all recovery, with the federal government providing support. The NDRF creates the concept of a Federal Recovery Coordinator for large disasters, and Recovery Support Functions, each carried out by a variety of federal agencies. HUD would fill the coordinating role for federal support of housing recovery.

FEMA is in the process of holding forums across the country for stakeholders to analyze and provide feedback on the NDRF.

National Disaster Housing Strategy & National Disaster Housing Task Force. FEMA released its National Disaster Housing Strategy (NDHS) in the waning hours of the Bush Administration in January 2009, more than 18 months after it had been required to do so by Congress. The agency released an earlier version of the NDHS on July 21, 2008.

The final NDHS offers more detailed information on the role different federal agencies should play in responding to a disaster than did the earlier version and recommends that HUD operate any disaster rental assistance programs; but it still defers the bulk of responsibility for operational plans and implementation to the National Disaster Housing Joint Task Force at FEMA.

The Task Force's work includes developing an implementation plan to address sheltering, interim housing, and permanent housing; developing a disaster housing concept of operations (CONOPS), which would create a definitive description of how the emergency management community provides disaster housing; and creating a 'practitioner's guide' to disaster housing that will provide guidance for state, tribal, territory and local disaster housing assistance practitioners to develop disaster housing strategies that consider the unique needs of all people displaced by disasters, as a companion to the CONOPS. Of these, the implementation plan and the CONOPS have been released. In January 2011, NLIHC and the Katrina Housing Group (KHG), which NLIHC convenes, submitted comments on the proposed CONOPS and look forward to commenting on the practitioner's guide when that document is released for comment.

Stafford Act Reforms. Senator Mary Landrieu (D-LA) introduced legislation (S. 1630) in September 2011 to strengthen and make reforms to the Robert T. Stafford Disaster Relief and Emergency Assistance Act based on lessons learned from Hurricanes Katrina and Rita. Senator Thad Cochran (R-MS) is an original co-sponsor. NLIHC and many members of the KHG have endorsed the legislation.

The bill includes many of the recommendations made by the KHG and would take important steps to better meet the needs of low income people after a disaster. First, S. 1630 clearly defines when a disaster is considered to be catastrophic and sets up mechanisms to ensure an appropriate federal role.

Second, the bill would make substantial improvements to the existing case management system for disaster victims. One of the most serious flaws in the response to Hurricane Katrina was the chaotic manner in which victims received information about the services and programs to which they were entitled. The KHG identified the disjointed and ineffective case management system as one impediment to survivors moving to permanent housing in the Gulf Coast. S. 1630 would require that FEMA, HHS, and HUD develop a single, comprehensive case management system, and within one year, develop regulations to ensure that every survivor has a single point of contact for case management services.

The bill would also make critical changes to the housing response and recovery activities authorized under the Stafford Act. The KHG argues that any disaster response and recovery effort must minimize the time that households are in temporary housing and must ensure a seamless transition for these households to new permanent housing. S. 1630 includes several provisions that work to meet these goals. The bill would require all federal agencies that provide housing assistance to define the roles and responsibilities of each agency in the provision of disaster housing assistance. The bill would make simplifications to current law to ensure that damaged rental properties could be quickly repaired and reoccupied instead of allowing money to be spent unnecessarily on temporary housing units. Further, the bill would allow for assistance to be provided to more than one household associated with the same pre-disaster address, if the household had to separate for reasons related to the disaster.

WHAT TO SAY TO LEGISLATORS

Advocates should speak to their Members of Congress to deliver the following messages:

- Support enactment of S. 1630, the Disaster Recovery Act, to reform the Stafford Act to reflect lessons learned from Hurricanes Katrina and Rita. The legislation addresses many of the inadequacies in current law and would greatly improve housing outcomes for future low income disaster victims.
- Oppose the requirement of offsets to emergency spending appropriations.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

Long Term Disaster Recovery Working Group, Disaster Recovery Resources • www.disasterrecoveryworkinggroup.gov/disasterresources.cfm

National Disaster Housing Strategy Resource Center • www.fema.gov/emergency/disasterhousing



Advocacy Story: Persistent Advocacy Makes for Victories, Stronger Collaboration on the Gulf Coast

In the aftermath of Hurricane Katrina, housing advocates and the communities they serve came together in a strong network of local, regional and national groups. Advocates quickly discovered three things: 1) that the most vulnerable individuals and communities were most likely to be left out of the recovery process; 2) politics, not policy, were driving recovery; and 3) we needed a model that built capacity so that impacted and displaced residents could advocate on their own behalf.

Residents and disaster housing advocates came together on a comprehensive housing bill authored and championed by Rep. Maxine Waters (D-CA), which passed the House quickly. But when it came to the Senate, the political terrain became more difficult and the bill stalled. While significant gains were made, challenges persist to this day.

For example, the coalition was unable to ensure that 5,000 households from the four largest public housing developments in New Orleans could quickly return to pre-Katrina neighborhoods or local housing. For many households in Alabama, promised recovery funds never came. Yet, advocates committed to work together on each others' individual issues, and were able to break off essential pieces of the failed bill and attach it to moving legislation.

This collaborative movement was successful in getting gap funding for the Road Home (disaster CDBG) in Louisiana, as well as much needed permanent supportive housing vouchers for chronically and newly homeless in New Orleans. Perhaps most importantly, this network of housing advocates and consumers was able to develop and deepen lasting working relationships, evidenced by ongoing collaborative housing work and an effective advocacy infrastructure mobilized during Hurricanes Gustav and Ike.

Monika Gerhart, Equity and Inclusion Campaign

EMERGENCY FOOD & SHELTER PROGRAM

By Steve Taylor, Vice President and Counsel for Public Policy, United Way Worldwide

The Emergency Food and Shelter Program (EFSP) helps meet the needs of the nation's hungry and homeless and those at risk of becoming homeless due to an economic emergency. Federal funds provided through the program supplement the work of local agencies providing food, shelter, and utility assistance. With the current challenges facing the U.S. economy, the EFSP program has received increased attention as a mechanism to distribute funds quickly to Americans most in need. This increased focus resulted in the near doubling of funding for the program for FY09.

ADMINISTRATION

EFSP is unique in its administration. The U.S. Department of Homeland Security administers EFSP through the Federal Emergency Management Agency (FEMA), which serves as chair of the EFSP National Board. The Board is comprised of United Way Worldwide, The Salvation Army, Catholic Charities USA, National Council of Churches of Christ in the USA, the Jewish Federations of North America, and the American Red Cross. At the request of the National Board, United Way serves as the Secretariat and Fiscal Agent to the Board, which relieves FEMA of the majority of the administrative burden. In this capacity, United Way maintains responsibility for the day-to-day operation of the program.

HISTORY AND PURPOSE

Responding to an increased need for services due to the recession of the early 1980s, Congress established EFSP in 1983 and provided \$50 million for the program's operation. Congress also identified the National Board in the legislation. The Board selected United Way to serve as the Secretariat to distribute the funding pursuant to the Board's direction.

The original authorizing legislation states that the program is required to show "sensitivity to the transition from temporary shelter to permanent homes and attention to the specialized needs of homeless individuals with mental and physical disabilities and illness and to facilitate access for homeless individuals to other sources of services and benefits."

PROGRAM SUMMARY

EFSP distributes funds to the neediest areas of the country quickly. Although EFSP is a federal program with a National Board, one of the key elements to the program's success is that it is locally focused.

The National Board uses a formula involving population, poverty, and unemployment data to determine the eligibility of a civil jurisdiction, usually a county.

In each civil jurisdiction funded by EFSP there must be a local board similar in composition to the National Board, with a

local government official replacing the FEMA representative. Local boards may have additional members and are required to include a homeless or formerly homeless person as a member. If a jurisdiction is located within or encompasses a federally recognized Indian reservation, a Native American representative must be invited to serve on the local board.

Once the National Board receives its EFSP allocation for a particular year and determines local funding amounts, local boards advertise the availability of funds, establish priorities among community needs, and distribute funds to local agencies that qualify for awards. These local groups are known as local recipient organizations (LROs). After an LRO receives the funds, it uses them for eligible services that the organization provides, which may include food pantries, served meals, nights of shelter, rent or mortgage assistance, and utility payments.

In 1985, the National Board created a state set-aside process to identify and fund jurisdictions that do not receive awards under the formula. State set-aside committees, with members mirroring the National Board, receive funds based upon the number of unemployed people in counties within their state who do not qualify under the National Board's criteria.

FUNDING

In FY09, Congress increased appropriations for EFSP to \$200 million from \$153 million in FY08. In addition, the American Recovery and Reinvestment Act of 2009 (ARRA) included

EFSP has distributed more than \$3.6 billion to over 2,500 local boards, which in turn has provided funds to more than 13,000 LROs. This translates into more than 2.4 billion meals; 260 million nights of shelter; 4.9 million rent or mortgage payments; and 6.9 million utility payments.

Emergency Food & Shelter Program

\$100 million for EFSP to be expended in FY09. Thus, 2009 saw a near doubling of funding for EFSP over the previous year, to a total of \$300 million. The program was able to quickly and efficiently distribute the funds to communities nationwide at a critical time in the economic crisis.

In FY10, Congress again provided base funding of \$200 million for EFSP as part of the Department of Homeland Security Appropriations Act of 2010.

As of the date this guide went to press, EFSP funding for FY11 remains uncertain. Congress failed to pass any of the annual appropriation bills, including the Homeland Security Appropriation Act, prior to the start of FY11 and before the 111th Congress adjourned. Instead, Congress has continued funding of federal programs during the first five months of FY11 at FY10 levels through a series of short-term continuing resolutions (CR), the latest of which expires on March 4, 2011.

Due to the uncertainty surrounding program funding for the remainder of the fiscal year, the Administration must wait for the new Congress to pass legislation setting firm funding levels beyond March 4 before it can release EFSP funds. Such action would make it likely that EFSP funds would be awarded in late April or early May.

TIPS FOR LOCAL SUCCESS

LROs apply directly to their local boards, which set local application criteria. Local organizations can find their local board by contacting the EFSP National Board Program. Local advocates and organizations should pay close attention to the information provided by their local boards and closely follow EFSP guidelines if their organization chooses to apply for funding.

WHAT TO SAY TO LEGISLATORS

For FY12, advocates should urge Senators and Members of Congress to fund EFSP at \$200 million, as Congress did in FY09 and FY10. Given the ongoing economic crisis, an increase in funding over \$200 million would be an efficient and effective way to help millions of Americans access basic needs.

FOR MORE INFORMATION

Emergency Food and Shelter National Board Program •
703-706-9660 • www.efsp.unitedway.org

FAIR HOUSING PROGRAMS

By Jorge Andres Soto, Public Policy Associate, National Fair Housing Alliance

The federal Fair Housing Act protects individuals and families from discrimination on the basis of race, national origin, color, religion, sex, familial status, and disability in all housing transactions, public and private. HUD's programs dedicated solely to fair housing are the Fair Housing Initiatives Program (FHIP) and the Fair Housing Assistance Program (FHAP).

ADMINISTRATION

FHIP and FHAP are administered by HUD's Office of Fair Housing and Equal Opportunity (FHEO), which is also responsible for investigating fair housing complaints. The Civil Rights Division of the U.S. Department of Justice may also investigate complaints and is responsible for litigating on behalf of the federal government in cases of fair housing violations.

HISTORY AND PURPOSE

Residential segregation contributes to economic disadvantage by reducing home appreciation; limiting access to opportunities such as public benefits, social services, and employment opportunities; and perpetuating racially separate and unequal schools. Federal fair housing programs are intended to promote integration and eliminate discrimination.

The federal Fair Housing Act was passed in 1968 and amended in 1974 and 1988. FHIP and FHAP were created as a means of carrying out the objectives of the act.

PROGRAMS SUMMARY

There are two federal programs dedicated solely to fair housing: FHIP funds private fair housing organizations, and FHAP funds the fair housing enforcement programs of state and local government agencies.

Fair Housing Initiatives Program (FHIP). FHIP funds private fair housing organizations to provide education and outreach to the community and the housing industry and to investigate allegations of rental, sales, homeowner insurance, and lending discrimination. FHIP is a competitive grant program administered by HUD that provides funding to fair housing organizations to combat discrimination in the housing, rental, sales, lending and insurance markets. Components of the program include the Private Enforcement Initiative (PEI) that enables private fair housing groups to carry out testing and other enforcement activities; the Education and Outreach Initiative (EOI) that funds groups to engage in initiatives that educate the general public about fair housing rights, responsibilities and compliance with the law; and the Fair Housing Organizations Initiative (FHOI) that builds the capacity and effectiveness of fair housing groups and funds the creation of new organizations.

Fair Housing Assistance Program (FHAP). State and local government agencies certified by HUD to enforce state or local fair housing laws that are substantially equivalent to the Fair Housing Act receive FHAP funds. HUD funds FHAP agencies by reimbursing them based upon the number of cases they successfully process. In addition, FHAP funds help cover administrative expenses and training. New FHAP organizations receive three years of capacity building funding before moving to the reimbursement phase.

Analysis of Impediments to Fair Housing Choice/Affirmatively Furthering Fair Housing. FHIP and FHAP are not the federal government's only tools for ensuring that communities are integrated and remain free from discrimination. All federal housing and community development programs, including, notably, the Community Development Block Grant (CDBG) program and the HOME Investment Partnership Program, contain provisions requiring recipients to certify that they 'affirmatively further fair housing' and have conducted an Analysis of Impediments to Fair Housing Choice. The federal government has rarely challenged municipalities for failing to comply with these requirements, but it has become more serious about them during the Obama administration.

There are nearly 1,200 CDBG entitlement jurisdictions in the country, all of which are required to affirmatively further fair housing. As part of this obligation, these jurisdictions must identify impediments to fair housing choice and take steps to overcome them. It is difficult to enforce this requirement, however, because HUD has failed to promulgate regulations for its implementation, even though the Fair Housing Act was passed in 1968 and the CDBG law was passed in 1974.

Over the last three years, HUD has been at work on providing more clear guidance for what it means to affirmatively further fair housing. Advocates should be on the lookout for forthcoming regulations in 2012, as they will surely have an impact on the work of fair housing organizations, other housing organizations, and local jurisdictions. As HUD develops its regulations, it has taken other steps to make affirmatively furthering fair housing a priority within the Department, including incorporating affirmatively furthering fair housing principles into its general Notice of Funding Availability (NOFA), which applies to all competitively funded HUD programs.

Fair Housing Programs

As mentioned above, this requirement also applies to many other federal programs, including housing programs run through the Treasury Department such as the Home Affordable Modification Program (HAMP) and the Low Income Housing Tax Credit, and to federal regulators like the Office of the Comptroller of the Currency (OCC) and the Consumer Financial Protection Bureau (CFPB).

In general, grantees must use federal fair housing tools to redress past discrimination, encourage future inclusion, be nondiscriminatory, incorporate the principles of integration, and overcome the effects or conditions that have kept communities from being open to all members of protected classes specified under the Fair Housing Act.

FUNDING

FHIP received funding of \$42.5 million in FY11 and in FY12. An increase in appropriations would allow FHIP to address additional complaints, encourage those encountering housing discrimination to come forward to file their complaints with greater hope of resolution, and provide fair housing groups with the capacity to address larger systemic issues, such as discriminatory sales practices and insurance policies, and thereby have a much broader impact on segregation in our country. It would also bring fair housing organizations to communities and states where there are currently no such groups.

FHAP received \$29.4 million in FY11 compared to \$28.4 million for FY12.

WHAT ADVOCATES NEED TO KNOW NOW

Housing discrimination continues to be a significant problem, particularly due to the ongoing foreclosure crisis and increase in online housing advertising. High-cost loans have had a dramatic impact on communities of color, which were and continue to be devastated by the foreclosure crisis. Lenders aggressively targeted African-Americans and Latinos for high-cost loans. These borrowers were far more likely than their White counterparts to receive high-cost subprime loans, regardless of income. The foreclosure crisis, born in part out of fair housing violations, will continue to have fair housing consequences in the home lending industry, mortgage servicing industry, and the rental market to which many people who once owned homes must return.

The National Fair Housing Alliance (NFHA) has documented differential treatment in the ways in which financial institutions maintain and market Real Estate Owned (REO) properties in predominantly African-American and Latino communities compared to properties in identifiably White communities. Banks have the responsibility to equitably maintain and renovate foreclosed homes, price foreclosed homes for sale, select real estate brokers to sell foreclosed homes, and advertise and market foreclosed homes.

As of now, hundreds of thousands of REO properties are available throughout the country. What banks and government-sponsored enterprises (GSEs) do with their stock of REO properties directly affects access to housing in the United States. As GSEs and banks dispose of their REO properties, there is great opportunity for affirmative marketing and policies that will contribute to the development of integrated and diverse communities.

In 2010, 29,000 people filed fair housing complaints. In spite of recent increases, violations continue to be underreported. HUD estimates that only 1% of fair housing violations committed are ever reported, but even this number is conservative. Every year, over four million fair housing violations are committed against members of protected classes under the Fair Housing Act. In 2010, most complaints investigated by fair housing organizations were based on disability (37.9%), race (17.4%), and family status (16.6%). The vast majority of fair housing complaints are settled through administrative or conciliation processes.

The public relies upon private fair housing organizations to protect its fair housing rights. In 2010, private nonprofit fair housing organizations investigated 18,665, or just under 65%, of the fair housing complaints in the United States, almost twice as many complaints as all federal, state, and local government agencies combined. Public FHAP agencies processed 8,214, or 28%, of complaints, and HUD processed 1,942, or 6.7%, of all complaints.

The DOJ has substantially increased its fair lending work since Assistant Attorney General Tom Perez announced the creation of a dedicated fair lending unit to investigate and prosecute lending discrimination in January 2010. In 2010, DOJ opened 14 fair lending investigations. In December 2011, DOJ, along with HUD and Illinois Attorney General Lisa Madigan, reached the largest residential fair lending settlement in the history of the DOJ. Between 2004 and 2008 Countrywide Financial Corporation and its subsidiaries, which are now owned by Bank of America, engaged in widespread discriminatory mortgage lending practices against more than 200,000 qualified African-American and Hispanic borrowers. Qualified African-American and Hispanic borrowers were charged more fees and were more likely to be steered into subprime loans than White borrowers. The settlement provides \$335 million in compensation to victims of Countrywide's discriminatory lending practices.

On December 1, 2011, the Consumer Financial Protection Bureau (CFPB) unveiled its mortgage complaint intake process. Individuals and advocates can now submit complaints regarding a mortgage product and can indicate whether they believe their issue involves discrimination.

In recent years, one-quarter of all fair housing organizations nationwide have closed their doors or severely reduced the size and scope of available services due to lack of funding.

Some shuttered groups served densely populated and large metropolitan areas; other groups served entire states, and their closing continues to have a drastic effect on a substantial geographic area.

Housing Fairness Act. Representative Al Green (D-TX) re-introduced the Veterans, Women, Families with Children, and Persons with Disabilities Housing Fairness Act (H.R. 284) in the 112th Congress. The bill would reauthorize FHIP funding at a level of \$42.5 million, authorize an additional \$15 million for national fair housing enforcement funds meant to address systemic discrimination, and authorize \$5 million in research grants for the study of the causes and community effects of discrimination in the housing market. In the 111th Congress, the Veterans, Women, Families with Children, and Persons with Disabilities Housing Fairness Act (H.R. 476) passed out of the House Financial Services Committee on a voice vote.

Housing Opportunities Made Equal (HOME) Act of 2011. During the First Session of the 112th Congress, Representative Jerrold Nadler (D-NY) and Senator John Kerry (D-MA) introduced the HOME Act (H.R. 3030, S. 1605). The bill would include sexual orientation, gender identity, source of income, and marital status as protected groups under the Fair Housing Act and Equal Credit Opportunity Act (ECOA). It would also expand the definition of ‘familial status’ to be more inclusive, as well as make other critical changes to both the Fair Housing Act and ECOA. A similar bill, H.R. 6500, was introduced in the House of Representatives in the 111th Congress by Rep. Nadler.

TIPS FOR LOCAL SUCCESS

Individuals and advocates who suspect or observe a fair housing violation, including a failure to affirmatively further fair housing, should contact a local fair housing organization or the National Fair Housing Alliance at (800) 910-7315, or see a list of fair housing organizations at www.nationalfairhousing.org.

Fair housing complaints can be filed with local fair housing organizations, state or local government agencies, or HUD. HUD recently updated fair housing complaint handling policies to provide greater protections to the LGBT community. Under HUD’s new guidance, many complaints of discrimination based on gender identity and sexual orientation can be handled as fair housing complaints of discrimination based on gender.

In addition, as mentioned above, all jurisdictions receiving funds through the CDBG and HOME programs (among other federal programs), including cities, counties, and states, are required to ‘affirmatively further fair housing,’ and advocates should actively monitor their participation and make sure that they are taking the necessary fair housing planning steps and action steps. As demonstrated in a September 2010 Government Accountability Office report, titled *Housing and Community Grants: HUD Needs to Enhance Its Requirements and Oversight of Jurisdictions’ Fair Housing Plans*, many municipalities have disregarded their obligations. Vigilant civil

rights and housing advocates must be willing to challenge this lack of compliance.

Advocates working with distressed homeowners who believe they may have been victims of lending discrimination may encourage borrowers to submit mortgage complaints to the CFPB. Individuals and advocates may submit mortgage complaints by visiting www.consumerfinance.gov or by calling (855) 411-CFPB (2372). Non-English speakers can receive information and submit mortgage complaints in any one of 189 languages by calling the CFPB. To be sure that a complaint with possible fair lending violations is treated as such, individuals must indicate that they believe their mortgage issue may include discrimination.

WHAT TO SAY TO LEGISLATORS

Advocates should speak to legislators with the message that private fair housing organizations investigate two-thirds of all fair housing complaints each year—twice as many as all government agencies combined. This important service is historically underfunded, and as a result, fair housing and fair lending violations remain under-reported and unaddressed. To help put an end to pervasive housing discrimination, funding for FHIP should be at least \$57 million, including \$5 million for a systemic testing program, and funding for FHAP should be \$40 million in FY13.

Legislators interested in increasing housing opportunity for their constituents should support the Veterans, Women, Families with Children, and Persons with Disabilities Housing Fairness Act.

Legislators interested in ensuring and expanding equal access to housing and housing protections for vulnerable groups, and expanding the fair housing enforcement powers of the DOJ, should support the Housing Opportunities Made Equal Act of 2011 in either chamber of Congress.

FOR MORE INFORMATION

National Fair Housing Alliance • 202-898-1661 •
800-910-7315 • www.nationalfairhousing.org

FAMILY SELF-SUFFICIENCY

By Judith Chavis, Executive Vice President/Public Policy, American Association of Service Coordinators

Family Self-Sufficiency (FSS) is a HUD program that helps low income families who are in public housing or in the Housing Choice Voucher (HCV) program to build assets and make progress toward self-sufficiency and homeownership.

ADMINISTRATION

The program is housed in HUD's Office of Public and Indian Housing.

HISTORY

FSS was enacted in 1990 as part of the Cranston-Gonzalez National Affordable Housing Act of 1990.

PROGRAM SUMMARY

Family Self-Sufficiency helps housing choice voucher holders and public housing residents to build assets, increase their earnings, and achieve homeownership and other individual goals.

FSS supplements stable, affordable housing (in the form of a housing voucher or public housing) in two ways: with case management to help families overcome barriers to work and develop self-sufficiency plans, and with escrow accounts that grow as families' earnings rise. The program is voluntary and allows participants up to five years to achieve their goals and 'graduate' from the program.

The FSS program is administered through public housing agencies (PHAs) that elect to participate in FSS by filing an FSS Action Plan with HUD. Housing agencies may also choose to apply for funding for FSS coordinator costs as part of an annual competitive grant process. Some agencies are required to continue to participate in FSS until they graduate enough families to satisfy mandates associated with receipt of incremental housing assistance in the mid-1990s. For all other agencies, and for mandated agencies once they satisfy their mandate, participation is voluntary.

Case management. Each family in FSS works with a case manager who assists the family in developing an individual training and services plan and helps the family access work-promoting services in the community, such as résumé building, job search, job counseling and education and training. The nature of the services varies based on family needs and local program offerings.

Escrow account. The escrow accounts serve as both a work incentive and an asset-building tool. Like most families in public or assisted housing, participants in the FSS program must pay higher rental payments if their incomes increase. FSS participants, however, have an opportunity to obtain a refund of some or all of these increased rent payments. As the rent

of an FSS participant increases due to increased earnings, an amount generally equal to the rent increase is deposited into an escrow account. Upon graduation, the participant receives all of the escrowed funds to meet a need he or she has identified. If the housing agency agrees, the participant also may make an interim withdrawal when needed to meet expenses related to work or other goals specified in the participant's FSS plan. A participant who fails to successfully complete the FSS program loses the funds in his or her escrow account.

FSS has four separate funding streams, two for its voucher programs and two for its public housing programs. In the voucher program, FSS escrow deposits are eligible expenses for reimbursement under the housing assistance payments that HUD makes to housing authorities, while limited funding for FSS coordinators is provided through an annual competitive grant Notice of Funding Availability (NOFA).

In the public housing program, PHAs are compensated for FSS escrow deposits through the public housing operating subsidy calculation, and limited funding for FSS coordinators is provided through an annual competitive grant NOFA included within the Resident Opportunities for Self-Sufficiency (ROSS) program.

FUNDING

For FY12, Congress maintained the \$60 million appropriation for FSS coordinators working with families with housing choice vouchers. Generally, \$12 million to \$15 million is available for FSS coordinators working with public housing residents as part of ROSS, but the Administration did not request any funding for ROSS in FY12. Advocacy efforts were successful in restoring ROSS funds in the FY12 appropriations cycle.

WHAT ADVOCATES NEED TO KNOW NOW

Funding and application process. The key federal advocacy issue related to FSS is funding stability, principally for FSS coordinators. Congress should renew and expand funding for FSS coordinators. The American Association of Service Coordinators (AASC) continues to advocate for an increase in funding for housing choice voucher FSS coordinators to \$65 million. In addition, AASC is advocating that FSS grant funds be allowed to cover the costs of training, computer equipment, and case management software for FSS case managers. AASC is also continuing its advocacy efforts to restore and stabilize funding for the ROSS program at its historical level of \$50 million so that funding for public housing FSS coordinators is maintained.

Shortfalls in Section 8 and public housing funding also hurt FSS by making it more difficult for housing agencies to rely on HUD funding to cover the costs of escrow deposits for FSS participants.

In addition to ensuring adequate funding for FSS coordinators, it is essential that HUD make the process of applying for funding as simple and consistent as possible. In some past competitions, HUD changed the criteria for applying for voucher FSS coordinator funding, leading to the loss of funding for more than 200 FSS programs.

In January 2011, Representative Judy Biggert (IL-13) introduced the Family Self-Sufficiency Act of 2011, which would change the housing choice voucher FSS coordinator funding from an annual competition to an administrative fee. In addition to simplifying the process of receiving funds, this would open up funding to additional agencies that wanted to start or expand their FSS programs. If enacted, this act would go a long way toward stabilizing funding for FSS.

Also in 2011, a draft of the Section 8 Savings Act (SESA) was widely circulated for discussion. This draft included the administrative fee provisions of the Family Self-Sufficiency Act and also included provisions that would help to stabilize funding for the housing choice voucher program generally. This would reassure housing agencies that they have sufficient funding to continue or expand their FSS programs.

In addition to passing the Family Self-Sufficiency Act and SESA, there are a number of steps Congress and HUD could take to improve funding stability for FSS coordinators (and thus continuity of services for FSS participants). For FY13, Congress should allocate funding for HCV FSS coordinators as an administrative fee add-on, as it did for FY09, rather than as a competitive program. For FY13, HUD may be required to issue a NOFA for HCV FSS coordinators, but it should strive as much as possible to continue the formula allocation used in FY09.

Finally, advocates should be on the lookout for new proposed legislation that could further strengthen FSS by consolidating public housing and voucher FSS programs and expanding eligibility for FSS to project-based Section 8 properties. This legislation is under discussion and could be introduced in the current Congress.

TIPS FOR LOCAL SUCCESS

At the local level, the key issue is whether housing agencies are making effective use of the FSS program to help families build assets and make progress toward self-sufficiency. There is no limit to the number of families that may be enrolled in FSS, so one key goal for local advocacy is expansion of current programs to serve additional families. For housing agencies without an FSS program or with a program for voucher holders but not for public housing residents, advocates may wish to focus on starting a new FSS program.

At the same time, there is a limit to the number of families that can be effectively served with a given number of coordinators. There is no formal caseload standard, but HUD generally uses 50 families per coordinator as a rule of thumb. Caseloads vary dramatically from agency to agency, and in some cases, it may be more important to add coordinator staff to reduce caseloads to manageable levels than to expand the number of enrolled families. Advocates should work collaboratively with local housing agencies to find local in-kind or cash resources to expand the number of case managers to serve additional families.

WHAT TO SAY TO LEGISLATORS

Advocates should speak to the person in the office of their Member of Congress who deals with housing policy with the message that:

- HUD's FSS program is critical for helping families in subsidized housing build assets and make progress toward self-sufficiency and economic independence.
- To better support FSS, Congress should increase funding for voucher FSS service coordinators to \$65 million and maintain funding for the ROSS program at the \$50 million level. To improve continuity of services for participants, Congress should also allocate the FY13 funding for voucher FSS coordinators as an administrative fee add-on, rather than a competitive program.
- Congress should further pass the Family Self-Sufficiency Act, introduce and pass the Section 8 Savings Act (SESA), and/or any other legislation that strengthens FSS.

FOR MORE INFORMATION

American Association of Service Coordinators •
614-848-5958 • www.servicecoordinator.org

FAMILY UNIFICATION PROGRAM

By Ruth White, Executive Director, National Center for Housing and Child Welfare

HUD's Family Unification Program (FUP) is a federal housing program aimed at preventing family separation due to homelessness and easing the transition to adulthood for youth aging out of foster care. HUD provides FUP Section 8 vouchers to partnerships established between local public housing agencies and child welfare agencies. These vouchers can be used to prevent children from entering foster care, reunite foster children with their parents, and prevent homelessness among youth aging out of foster care. While recently funded after nearly nine years of inactivity, the program still reaches only a fraction of families and children in need.

ADMINISTRATION

FUP is administered by HUD's Office of Public and Indian Housing and funded out of the Tenant Protection Fund.

HISTORY AND PURPOSE

The Family Unification Program (FUP) was signed into law in 1990 by President George H. W. Bush. The program was created as a part of the Tenant Protection Fund within the Cranston-Gonzalez Affordable Housing Act of 1990.

FUP is designed to address the housing-related needs of children in the foster care system. Of the 423,000 children who live apart from their families in America's foster care system, nearly 150,000 are separated from their families because their parents lack access to safe, decent affordable housing. Equally troubling are the housing challenges faced by the 29,500 youth who age out of foster care each year without the support of a permanent family. Nearly a quarter of these young people experience homelessness within a year of leaving care. Despite these staggering figures, child welfare workers seldom have access to the housing resources or supportive services necessary to prevent and end homelessness among vulnerable families and youth.

PROGRAM SUMMARY

FUP is administered at the local level through a partnership between public housing agencies (PHAs) and public child welfare agencies. PHAs interested in administering FUP vouchers must complete and sign a memorandum of understanding (MOU) with their partner agency in order to apply to HUD in response to a Notice of Funding Availability (NOFA). FUP vouchers are awarded through a competitive process. Depending on the size of the PHA, communities can receive a maximum of 100, 50, or 25 vouchers. Communities are encouraged to apply only for the number of vouchers that can be leased up quickly, meaning that both families and youth have been identified and landlords have been recruited for the program.

PHAs receiving an allocation of FUP vouchers then administer these vouchers to families and youth who have been certified as eligible for FUP by the local public child welfare agency. The FUP vouchers work in the same way a typical housing choice voucher does. The child welfare agency is required to help FUP

clients to gather the necessary Section 8 paperwork, find suitable housing, and provide aftercare services maintain their housing. If a child welfare agency elects to refer a young person aging out of foster care with a FUP voucher, the child welfare agency must offer educational and training vouchers, independent living programs, counseling, and employment assistance.

Eligible families include those who are in imminent danger of losing their children to foster care primarily due to housing problems and those who are unable to regain custody of their children primarily due to housing problems. Eligible youth include those who were in foster care anytime after the age of 16 and are currently between the ages of 18 and 21 (have not reached their 22 birthday) and are homeless or at risk of homelessness.

FUNDING

Each year between 1992 and 2001, HUD awarded an average of 3,560 FUP vouchers to public housing agencies. Unfortunately, from FY02 through FY07, HUD used its rescission authority to avoid funding FUP, even though the Tenant Protection Fund out of which FUP is funded had carryover funds ranging from \$18 million to \$170 million. Thanks to the efforts of the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, \$55 million in new funding was awarded for new FUP vouchers in FY08 and FY11. No new FUP funding was provided in FY12.

WHAT ADVOCATES NEED TO KNOW NOW

In the absence of an adequate supply of affordable housing to intervene in and end youth and family homelessness, child welfare agencies are placed in the unenviable position of separating families in order to protect the children from the lingering effects of homelessness. This is a costly solution to homelessness, both in terms of the emotional impact upon each child and the cost to the taxpayer.

Given the government's growing interest in controlling spending, it is important to point out that placing children in the foster care system in lieu of a prudent investment in affordable housing is a poor use of federal money. Nationally, the average family involved in the child welfare system has 2.7 children. On average, it costs \$56,892 per family per year when

children enter foster care. By contrast, it costs approximately \$13,193 to house one family and provide supportive services for one year. An investment of \$15 million in FUP can save as much as \$101 million in foster care expenditures. Additionally, providing affordable housing and self-sufficiency services to young people averages just \$5,600 annually, a tenth of the cost of undesirable outcomes such as homelessness, incarceration, and residential treatment.

TIPS FOR LOCAL SUCCESS

Over the years, it has become clear that the most successful FUP partnerships require cross-training, single points of contact (liaisons) within each partner agency, and ongoing communication. In fact, HUD's most recent FUP Notice of Funding Availability (NOFA), FY10, includes a number of provisions intended to encourage sites to adopt these elements in their partnership and provide case management and other supportive services to FUP households. FUP sites must include robust and ongoing case management provided by the local child welfare agency or through a contract funded by the child welfare system. This NOFA also encourages child welfare partners to take part in landlord recruitment, housing training for frontline staff and encourages regular communication with the PHA point of contact. Finally, HUD encourages PHAs to enroll FUP households in the Family Self-Sufficiency program (FSS) because this adds an extra layer of supportive services to help ensure that FUP households will successfully maintain permanent housing.

The MOU required by HUD provides an excellent formula for all community partnerships designed to share resources and information in an effort to prevent and end family and youth homelessness. In communities across the country, PHAs can use this model and can demonstrate a commitment to the program by creating local preferences in order to set aside regular Section 8 vouchers to serve hard-to-house families and youth leaving foster care.

WHAT TO SAY TO LEGISLATORS

Advocates interested in keeping families together and safe and those interested in ensuring that youth aging out of foster care have access to safe, decent affordable housing options should express their appreciation to Congress for including FUP in the HUD budget in recent years. Advocates should also encourage the House and Senate Appropriations Subcommittees on Transportation, Housing and Urban Development to provide no less than \$20 million annually for new FUP vouchers to prevent family separation and homelessness among aging-out youth.

FOR MORE INFORMATION

National Center for Housing & Child Welfare • 301-699-0151
• www.nchcw.org

THE FEDERAL HOME LOAN BANKS

By John von Seggern, President and CEO, Council of Federal Home Loan Banks

The Federal Home Loan Banks are 12 regional cooperative banks used by U.S. lending institutions to finance housing, community development, infrastructure, small business, and jobs in their communities. The Home Loan Banks are the largest single source of funds for community lending in the United States.

ADMINISTRATION

The Federal Home Loan Banks are regulated by the Federal Housing Finance Agency (FHFA). This agency was created in the Housing and Economic Recovery Act of 2008 (HERA). The FHFA also regulates Fannie Mae and Freddie Mac.

HISTORY

The Federal Home Loan Banks System was created by Congress in 1932.

PROGRAM SUMMARY

The Federal Home Loan Banks, which are government sponsored enterprises (GSEs), are cooperatives that provide funding for housing through all market cycles. More than 8,100 lenders are members of the Federal Home Loan Bank System, representing approximately 80% of the insured lending institutions in the country. Community banks, thrifts, commercial banks, credit unions, community development financial institutions, insurance companies, and state housing finance agencies are all eligible for membership in the Federal Home Loan Bank System (the System). The 12 Home Loan Banks are located in Atlanta, Boston, Chicago, Cincinnati, Dallas, Des Moines, Indianapolis, New York, Pittsburgh, San Francisco, Seattle, and Topeka.

Each Federal Home Loan Bank has its own board of directors, comprised of members of that Home Loan Bank and independent (non-member) directors. The boards of directors represent many areas of expertise, including banking, accounting, housing, and community development.

The primary purpose of the Federal Home Loan Banks is to provide their members with liquidity. In fact, the Federal Home Loan Bank System is the only source of credit market access for the majority of its members. Most community institutions do not have the ability to access the credit markets on their own.

Federal Home Loan Bank loans to members – called ‘advances’ – are a nearly instantaneous way for members to secure liquidity. The Federal Home Loan Banks go to the debt markets several times a day to provide their members with funding. The size of the Federal Home Loan Bank System allows for these advances to be structured in any number of ways, allowing each member to find a funding strategy that is tailored to its needs.

In order to qualify for advances, a member must pledge high-quality collateral, in the form of mortgages, government

securities, or loans on small business, agriculture, or community development. The member must also purchase additional stock in proportion to its borrowing. Once the member’s Home Loan Bank approves the loan request, it advances those funds to the member institution, which then lends the funds out in the community for housing and economic development.

Each of the 12 regional Federal Home Loan Banks is self-capitalizing. During times of high advance activity, capital automatically increases. As advances roll off the books of the Federal Home Loan Banks, capital is reduced accordingly.

During the recent financial crisis, the Federal Home Loan Banks continued to provide liquidity nationwide to members for housing and community credit needs through one of the most challenging periods of economic stress ever. As other sources of liquidity disappeared, and before the coordinated response of the federal government, the System increased its lending to members in every part of the country by 58 percent between the second quarter of 2007 and the third quarter of 2008. Advances exceeded \$1 trillion in the third quarter of 2008.

Member demand for advance borrowings continues to be lower as members’ loans outstanding decreased while their deposit base continued to grow, both as a result of the economic contraction. As of the end of the third quarter of 2010, System advances outstanding totaled \$500 billion. This is a decline from \$631 billion in advances outstanding to start the year, and a decline from the high of \$1 trillion in advances for the third quarter of 2008. However, one of the benefits of the System’s regional, self-capitalizing, cooperative business model is the ability to safely expand and contract to meet member lending needs throughout various business cycles.

The Federal Home Loan Banks have distributed nearly \$4 billion in Affordable Housing Program funds since 1990. Close to 700,000 housing units have been built using AHP funds, including more than 400,000 units for very low income residents.

Under the Community Investment Program, the Banks have lent nearly \$60 billion for a variety of projects since the program’s inception two decades ago, creating nearly 700,000 housing units and more than 80,000 jobs.

Federal Home Loan Banks are jointly and severally liable for their combined obligations. That means that if any individual

Federal Home Loan Banks would not be able to pay a creditor, the other 11 Federal Home Loan Banks would be required to step in and cover that debt. This provides another level of safety and leads to prudent borrowing throughout the System.

Affordable Housing Program (AHP). Federal Home Loan Banks contribute 10% of their net income to affordable housing through the AHP. This competitive grant program is the largest source of private sector grants for housing and community development in the country. Member banks partner with developers and community organizations seeking to build and renovate housing for low to moderate income households. To ensure that AHP-funded projects reflect local housing needs, each Home Loan Bank is advised by a 15 member Affordable Housing Advisory Council for guidance on regional housing and community development issues.

AHP is a flexible program that uses funds in combination with other programs and funding sources, such as Low Income Housing Tax Credits and Community Development Block Grants. These projects serve a wide range of needs. Many are designed for seniors, persons with disabilities, homeless families and individuals, first-time homeowners, and others with limited resources.

Community Investment Program (CIP). Each Home Loan Bank also operates a CIP that offers below-market rate loans to members for long-term financing of housing and economic development that benefits low and moderate income families and neighborhoods.

FUNDING

No taxpayer funds are involved in the operation of the privately owned Federal Home Loan Banks. The Federal Home Loan Banks' Office of Finance, the clearinghouse for Home Loan Bank debt transactions, accesses the global capital markets daily. Federal Home Loan Bank debt is sold through a broad, international network of about 100 underwriters.

WHAT ADVOCATES NEED TO KNOW

In the wake of the nation's financial crisis, concerns over systemic risk are on the minds of advocates and of all Americans. In eight decades, the Federal Home Loan Banks have never incurred a credit loss on an advance. This record can be attributed to the collateralization of all advances, conservative underwriting standards, and strong credit monitoring policies.

In response to the crisis in the U.S. financial market, policymakers will consider proposals to restructure the regulatory system for U.S. financial institutions. Advocates should look at how any proposed restructuring would affect the Home Loan Banks.

In any discussion about the future of housing finance, advocates should remember that:

- The regional, self-capitalizing Federal Home Loan Bank cooperative model is designed to protect against pursuing risky behavior.
- Federal Home Loan Bank advances to members are fully secured and follow strict underwriting standards.
- The Federal Home Loan Bank mortgage programs require participating lenders to share in the credit risks of their mortgage loans, thereby keeping 'skin in the game.'
- The Federal Home Loan Banks have fulfilled their role in the housing finance system without any Congressional appropriations or direct federal assistance.

TIPS FOR LOCAL SUCCESS

The Affordable Housing Program is designed to help member financial institutions and their community partners develop affordable owner-occupied and rental housing for very low to moderate-income families and individuals. Project sponsors partner with financial institutions to seek the competitive grants or low-cost loans. Applicants are encouraged to leverage their awards with other funding sources, including conventional loans, government subsidized financing, tax-credit equity, foundation grants, and bond financing.

Each Federal Home Loan Bank provides training and application assistance. See individual Home Loan Bank websites for details.

WHAT TO SAY TO LEGISLATORS

The Federal Home Loan Banks have a number of programs and products that can help drive economic recovery. Their community lending programs can be utilized to help drive job growth at the local level. The System's AHP grants have remained a reliable and stable source of much-needed affordable housing funding, even as other sources of affordable housing funding have dried up. As homeownership declines and foreclosures rise, more programs that support responsible homeownership are needed, which are supported by many initiatives nationwide funded by AHP through FHLBank members.

The role the Federal Home Loans Banks play in the financial system is vitally important. In any restructured housing finance system, the Federal Home Loan Banks must continue to function as steady and reliable sources of funds for housing and community development through local institutions.

FOR MORE INFORMATION

Council of Federal Home Loan Banks • www.cfhlb.org

FEDERAL HOUSING ADMINISTRATION

By Sham Manglik, Policy Analyst, National Low Income Housing Coalition

The Federal Housing Administration (FHA) insures mortgages made by lenders across the United States, and in so doing helps provide single-family housing and multifamily housing for low and moderate income families.

HISTORY AND PURPOSE

The FHA was established in 1934 under the National Housing Act to expand homeownership, broaden the availability of mortgages, protect lending institutions, and stimulate home construction. In 1965, the FHA was consolidated into HUD's Office of Housing. FHA is now the largest part of HUD. The FHA Commissioner reports directly to the HUD Secretary.

PROGRAM SUMMARY

The FHA provides mortgage insurance to lenders on both single-unit dwellings (one- to four-unit) and multifamily dwellings (five units or more). FHA programs do not lend money directly, but instead insure private loans made by FHA-approved lenders. When a loan defaults, lenders make a claim to FHA, triggering a FHA payment to the lender for the claim amount. FHA then takes possession of the property that secured the mortgage loan.

FHA consists of several insurance funds supported by premium, fee, and interest income; Congressional appropriations; and other miscellaneous sources.

The Federal Housing Administration has insured over 40 million home mortgages and 52,000 multifamily project mortgages since 1934.

Mutual Mortgage Insurance. FHA's primary single-family programs are within the Mutual Mortgage Insurance (MMI) fund, which is managed out of the Office of Single Family Housing. At the end of FY10, 87% of the FHA's IIF was in the MMI fund. The fund receives upfront and annual premiums collected from borrowers, as well as net proceeds from the sale of foreclosed homes. Each year, the MMI pays out claims to lenders and is able to cover administrative costs without federal subsidies.

FHA insurance allows borrowers to purchase a home with a lower down payment than is often available in the nongovernmental market. Borrowers pay a fee for FHA insurance. For single-family loans, this fee consists of an upfront amount collected at the time the mortgage is closed, and an annual fee that varies with the loan-to-value ratio (LTV) and length of the mortgage. The annual fee is collected with the monthly mortgage payments. FHA borrowers are required to make a minimum down payment of 3.5%. FHA insures loans only in amounts under the set loan limits. Generally, the loan limits are set at 115% of area median home prices, with a floor of 65% of the Freddie Mac loan limit and a ceiling of 150%

of the Freddie Mac limit. However, through December 2013 the limit is \$729,750 in high-cost areas. The mortgage amount also cannot exceed 100% of the property's appraised value.

The fiscal health of the MMI Fund has been a subject of concern in the 112th Congress. The MMI Fund capital reserve ratio is required to be at or above 2%. In FY11, the MMI Fund had a capital reserve ratio of 0.24%, down from 0.5% in FY10. FHA projects that the capital reserve ratio will return to the required 2% in 2014. FHA in part attributes the reduction in capital reserves to falling home prices and extended delinquency loans.

Special Risk Insurance and General Insurance Funds.

In addition to the MMI fund, FHA also operates Special Risk Insurance and General Insurance Funds, which insure loans used for the development, construction, rehabilitation, purchase and refinancing of multifamily housing and health care facilities. Unlike the MMI Fund, this insurance requires subsidies from the federal budget.

Manufactured housing. FHA provides insurance for the purchase or refinancing of a manufactured home, a loan on a developed lot on which a manufactured home will be placed, or a manufactured home and lot in combination. The home must be used as the principal residence of the borrowers. The insured loan may not exceed \$69,678 for a manufactured home, \$23,226 for a manufactured home lot, or \$92,904 for a combined manufactured home and lot. These limits can be increased by 85% in high cost areas.

Ginnie Mae. The Government National Mortgage Association (Ginnie Mae), also part of HUD, is an important sister agency to FHA. Ginnie Mae guarantees the principal and interest on privately issued securities backed by FHA, the U.S. Department of Veterans Affairs (VA) and Rural Housing Service mortgages, thereby enabling a constant flow of capital for mortgage loans. In FY11, Ginnie Mae guaranteed \$350.4 billion in mortgage backed securities (MBS), representing 1.6 million families.

WHAT ADVOCATES NEED TO KNOW NOW

The downturn in the housing market affected FHA by increasing its default rates and its insurance expenses. These increased losses reduced FHA reserves below statutory minimum requirements and forced FHA to tighten its underwriting requirements and take other steps to reduce losses. Advocates should expect additional Congressional oversight on the health of the MMI fund, and potential congressional action, such as

a mortgage premium increase or an infusion of funding from the Department of the Treasury, if capital ratio projections change.

In addition, the FHA, along with Freddie Mac and Fannie Mae, provide the financing for 90% of the mortgage loans in this country. This level of federal government support for the mortgage market is unsustainable and undesirable over the long run, and the 112th Congress will continue to look for ways to reduce the government's role and return the bulk of mortgage lending to the private sector.

Revenue generated by the FHA is used to underpin HUD's annual budget request. In FY12, HUD counted on more than \$5 billion in revenue from the FHA to undergird its budget, keeping HUD from making deep cuts in rental assistance programs. The amount of FHA revenue HUD will count on in FY13 is expected to increase. The Congressional Budget Office will ultimately determine if HUD's revenue projections for the FHA are accurate. Congress ultimately decides whether FHA revenue can be dedicated to HUD's bottom line or these revenues should flow into the general treasury of the United States.

FOR MORE INFORMATION

2011 FHA Management Report: <http://portal.hud.gov/hudportal/documents/huddoc?id=fhafy11annualmgmnrpt.pdf>

Ginnie Mae 2010 Annual Report to Congress:
www.ginniemae.gov/ReportToCongress/

FORECLOSURE INTERVENTION: PROTECTING HOMEOWNERS

By Sham Manglik, Policy Analyst, National Low Income Housing Coalition

Foreclosures devastate families and neighborhoods and hamper economic recovery. In an effort to reduce the number of foreclosures, Congress, the Administration, and the lending community have created some programs to help borrowers modify their mortgages. These efforts include new programs to help troubled borrowers and resources for housing counseling programs. Unfortunately, with the rise in unemployment, the number of foreclosures has continued to grow and foreclosure prevention programs have not been as successful as hoped.

ADMINISTRATION

Foreclosure prevention and counseling programs are administered by a variety of entities, including Freddie Mac, Fannie Mae, HUD and the Federal Housing Administration. In addition, banks and mortgage servicers modify mortgages outside of the federal programs.

PROGRAM SUMMARY

Since 2009, the Obama administration has created several programs to help struggling homeowners avoid foreclosure.

Home Affordable Modification Program. The Home Affordable Modification Program (HAMP) provides incentives to loan servicers (the organizations to whom monthly mortgage payments are made) and investors to modify first-lien mortgages for homeowners in default or in danger of default. By providing mortgage servicers with financial incentives to modify existing first mortgages, the Department of the Treasury (Treasury) hopes to help as many as 3 million to 4 million homeowners avoid foreclosure regardless of who owns or services the mortgage. Participation in the program is voluntary, and 145 servicers participate in the program under agreements with the Treasury.

The HAMP modification program is available to owner-occupants in one- to four-unit properties at risk of default because of unaffordable mortgage payments. The unpaid principal balance on the mortgage loan must be equal to or less than \$729,750 for one-unit properties (there is a higher limit for two- to four-unit properties) and the mortgage loan must have been made on or before January 1, 2009. The mortgage payments must be unaffordable (i.e. exceed 31% of the borrower's pre-tax income). The modification will consist of a reduction of the interest rate to a point where loan payments do not exceed 31% of the borrower's income. This interest rate, which can be as low as 2%, will be in place for the first five years of the modified mortgage, at which time the interest rate will slowly increase to the market rate at the time the mortgage was modified. If a 2% interest rate does not result in a payment that is affordable, the servicer can take additional steps to make the mortgage affordable, including extending the loan

term out to 40 years, deferring repayment on a portion of the amount owed until a later time, or forgiving a portion of the debt.

Borrowers request to participate in HAMP by sending their servicer an initial set of documents to establish their eligibility for the program. If eligibility is established and an economic model shows that it is worth more to the investor to modify the mortgage than foreclose, the servicer must offer the borrower a modification. If the modified mortgage is worth less than the foreclosed mortgage, the modification is optional. Slightly different rules apply in the case of loans owned or guaranteed by Freddie Mac or Fannie Mae.

HAMP has several sub- or related programs.

- The Home Price Decline Protection (HPDP) program provides incentives to offset potential losses in home values after a modification to encourage servicers and investors to modify mortgages in declining markets. The incentives are based on projections of future home prices.
- The Principal Reduction Alternative (PRA) program provides funds to be used to reduce the principal for homes worth less than the amount remaining on the first-lien mortgage.
- Home Affordable Unemployment Program (UP) or Homeowners Loan Program is intended to offer assistance to unemployed homeowners through temporary forbearance of a portion of their mortgage payments.
- The Home Affordable Foreclosure Alternatives (HAFA) provides incentives to servicers and borrowers to pursue short sales or deeds in lieu of foreclosure in cases where the borrower is unable or unwilling to enter into a modification. In a short sale, a servicer allows the borrower to sell the property at its current value, even if the sale nets less than the total amount owed on the mortgage. With a deed in lieu, the borrower simply voluntarily transfers ownership of the property to the servicer. While not desirable alternatives, these procedures allow the homeowner and the servicer to avoid the time and expense of a foreclosure.
- Second Liens. According to the Treasury Department up to 50% of at-risk mortgages have second liens, and many properties in foreclosure have more than one lien. Under the

Second Lien Modification Program, when a HAMP modification is initiated on a first lien, servicers participating in the Second Lien Program must modify or extinguish the associated second lien. Modifications to the second lien are made based on the nature of the second lien according to a set of specific rules, or the servicer can extinguish the second lien in return for a lump sum payment from Treasury.

• The Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (Hardest-Hit Fund or HHF) is designed to support innovative programs created by Housing Finance Agencies (HFAs) to stabilize housing markets and help families avoid foreclosure. HHF provides targeted aid to families in the states most impacted by the housing downturn. These HFA programs include assistance to unemployed homeowners, principal reduction, funding to extinguish second liens, and facilitation of short sales and deeds-in-lieu. HHF is available in Arizona, Florida, California, Michigan, Nevada, Ohio, Rhode Island, North Carolina, Oregon, South Carolina, Alabama, Georgia, Kentucky, Mississippi, Illinois, New Jersey, Indiana, and Tennessee.

FHA refinance program. This program, begun in September 2010, writes down the mortgages of FHA-insured homeowners who are up to date on their mortgage payments, and provides Troubled Asset Relief Program (TARP) funds to cover a share of the lenders' losses when a mortgage loan is written down.

Emergency Homeowner Loan Program (EHLF). The 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act created this emergency homeowner loan program to help distressed homeowners keep current on their mortgages by providing loans to people who have experienced significant reduction in income and are at risk of foreclosure due to involuntary unemployment, underemployment or a medical condition. On June 20, 2011, HUD announced the launch of the program, after significant delays. The Dodd-Frank Act required that EHLF funds be expended by September 30, 2011, leaving a very short application window. The application deadline, originally set in June, was extended through September 15, 2011.

Homeowners in 27 states and Puerto Rico were eligible to apply for assistance through the EHLF program. Five additional states were authorized to directly administer EHLF funds through their preexisting state programs.

Home Affordable Refinance Program. Through the Home Affordable Refinance Program (HARP), Fannie Mae and Freddie Mac will allow the refinancing of mortgage loans they own or that they placed in mortgage-backed securities. This refinancing will allow borrowers to move to a less expensive fixed-rate mortgage even if their mortgage is greater than the current value of their homes, a situation known as being 'underwater.' Currently, these underwater mortgages cannot be easily refinanced, leaving few options for borrowers facing unaffordable increases on their adjustable rate mortgages. To be eligible, the mortgage must be on an owner-occupied one-

four-unit home and the borrower must be current on his or her mortgage payments and be able to afford the new mortgage. The amount owed on the mortgage cannot exceed 125% of the current value of the house.

To determine if a mortgage loan is owned by Freddie Mac or Fannie Mae, the borrower can call his or her mortgage lender or servicer and ask about the program. Contact information can be found on monthly statements or in mortgage coupon books. In addition, Fannie Mae and Freddie Mac have established toll-free telephone numbers and websites to help borrowers.

Fannie Mae • 1-800-7FANNIE (8am to 8pm EST) • www.fanniemae.com/loanlookup

Freddie Mac • 1-800-FREDDIE (8am to 8pm EST) • www.freddiemac.com/mymortgage

HOPE NOW. An alliance composed of counselors, mortgage companies, investors, and other mortgage market participants, HOPE NOW members work together to reach out to homeowners in distress to help them stay in their homes and to create a unified, coordinated plan to help as many homeowners as possible. The alliance supports the HOPE for Homeowners Hotline, 1-888-995-HOPE, where borrowers can receive pre-foreclosure counseling.

National Foreclosure and Mitigation Counseling Program. This program was launched in December 2007 to increase the availability of counseling services to homeowners at risk of foreclosure across the country. Under this program, NeighborWorks America makes grants to HUD-approved housing counseling intermediaries, qualifying state housing finance agencies, and NeighborWorks organizations. The entities then provide counseling to troubled borrowers to assist them in exploring loan modification or refinance options, including those offered through the Making Home Affordable program. NeighborWorks maintains an interactive website to help borrowers identify a counselor in their area at: www.findaforeclosurecounselor.org/network/nfmc_lookup/

Foreclosure legal assistance. The Dodd-Frank Wall Street Reform and Consumer Protection Act created, but did not fund, a HUD-administered program for making grants to provide legal assistance to low and moderate income homeowners and tenants related to home ownership preservation, home foreclosure prevention, and tenancy associated with home foreclosure.

WHAT ADVOCATES NEED TO KNOW NOW

While many homeowners have been helped by the various federal efforts, the numbers served have fallen far short of expectations. Three federal foreclosure assistance programs are currently being targeted for elimination in the 112th Congress by bills in the House and Senate: HAMP (H.R. 839 and S. 527), the Emergency Homeowner Loan Program (H.R. 836), and the FHA refinancing program (H.R. 830).

Foreclosure Intervention: Protecting Homeowners

H.R. 830 and H.R. 836 passed the House on March 11, 2011. H.R. 839 passed the House on March 29, 2011. While there is support in the House to terminate these programs, it is unlikely the Senate will concur.

In August 2011, the Federal Housing Finance Agency (FHFA) released a Request for Information (RFI) on options for the sale of single-family real estate owned (REO) properties owned by the Federal Housing Administration (FHA) and the government sponsored enterprises (GSEs), Fannie Mae and Freddie Mac. In January 2012, the Federal Reserve Bank submitted a white paper to Congress stating that the GSEs, through the direction of their regulator, the FHFA, should play a larger role in the national housing recovery. One suggested action is the implementation of an REO-to-rental program. It is likely that such an initiative will be unveiled in 2012.

WHAT TO SAY TO LEGISLATORS

Advocates should contact their Members of Congress with the message that the variety of efforts and programs targeted to helping stop foreclosures is indicative of the seriousness of the problem. If foreclosures cannot be reduced, the economy is likely to take longer to recover and more families and communities will experience housing instability. Congress should work to create and refine programs and initiatives to enable more homeowners to receive help.

If an REO-to-rental program is created, advocates should urge lawmakers and FHFA to require that a significant portion of rental properties created by the program be targeted to extremely low income people. Funding should be allocated to make these properties affordable.

FOR MORE INFORMATION

Additional information about the Making Home Affordable initiatives at: www.makinghomeaffordable.gov/

More information on the homeowner's loan program at: www.nw.org/network/foreclosure/nfmcpehlp.asp.

General information on foreclosure avoidance at: http://portal.hud.gov/hudportal/HUD?src=/i_want_to/avoid_foreclosure

Information on the FHA's modification and refinancing programs at: www.fha.com

FORECLOSURE INTERVENTION: PROTECTING RENTERS

By Sham Manglik, Policy Analyst, National Low Income Housing Coalition

As the foreclosure crisis has taken hold, experience and research have revealed that rental properties and renters are at significant risk, with renters comprising 40% of the families affected by foreclosure. These families often have no idea that their landlord has fallen behind on mortgage payments, and have usually continued to pay their rent even as their landlord has failed to pay the mortgage.

Before the enactment of the federal Protecting Tenants at Foreclosure Act (PTFA) in May 2009, in most states it was legal for tenants to be required to move on only a few days' notice. Under the PTFA most tenants now have the right to remain in the home for the remainder of their lease, or at least 90 days.

The PTFA is set to expire at the end of 2014. Representative Keith Ellison (D-MN) has introduced legislation, H.R. 3619, to remove the PTFA sunset date and add a private right of action as an enforcement mechanism for the law.

ADMINISTRATION

The PTFA is self-executing; no agency is responsible for administering the act.

HISTORY AND PURPOSE

In recent years, inappropriate lending, falling home prices and high unemployment have led to a very high number of foreclosures across the United States. However, the impact of these foreclosures is not limited to homeowners; renters lose their homes every day when the owner of the home they are renting goes into foreclosure. In fact, one in five properties in the foreclosure process is likely to be a rental. Further, research from the NLIHC concludes that since these properties often contain more than one unit, and many owner-occupied homes also house renters, roughly 40% of the families facing eviction as a result of the foreclosure crisis were renters in 2008. And unlike homeowners, who have some indication that a foreclosure is coming, renters are often caught entirely off-guard.

As might be expected, very low income families and low income and minority communities are bearing the brunt of rental foreclosures. Data show that for four states in New England, the foreclosure rate on a per-unit basis is more than five times higher in largely non-white, poor neighborhoods than in largely white, low-poverty neighborhoods. Even more striking, nearly 60 of every 100 foreclosed properties in high-poverty, non-white neighborhoods are multi-unit, as compared to seven of every 100 in low poverty, white neighborhoods (*Renters in Foreclosure: Defining the Problem, Identifying Solutions*, Danilo Pelletiere, Ph.D., National Low Income Housing Coalition, January 2009).

Prior to May 2009, protections for renters in foreclosed properties varied from state to state, and in most states

tenants had few protections. The National Law Center on Homelessness and Poverty (NLCHP) and NLIHC issued a joint report on the foreclosure and eviction laws in each state and the District of Columbia. The report, *Without Just Cause*, can be found at www.nlchp.org/content/pubs/Without_Just_Cause1.pdf. The NLCHP updated that report in 2010 and the updated report can be found at www.nlchp.org/content/pubs/StayingHomeReport_June2010.pdf. Recognizing the hardships experienced by tenants in foreclosed properties, Congress acted in early 2009 to provide a basic set of rights for such tenants.

On May 20, 2009, President Obama signed the Protecting Tenants at Foreclosure Act (PTFA; P.L. 111-22, division A, title VII). The PTFA was extended and clarified in the Dodd-Frank Wall Street Reform and Consumer Protection Act, P.L. 111-203, section 1484.

PROGRAM SUMMARY

Protecting Tenants at Foreclosure Act. The PTFA requires the immediate successor in interest at foreclosure to provide bona fide tenants with a notice 90 days before requiring them to vacate the property, and allows tenants with leases to occupy the property until the end of the lease term. A bona fide lease or tenancy is one in which the tenant is not the mortgagor or the spouse, parent or child of the mortgagor, the lease or tenancy is the result of an arm's length transaction, and the lease or tenancy requires rent that is not substantially lower than fair market rent or is reduced or subsidized due to a federal, state or local subsidy. If the property is purchased by someone who will occupy the property, then that purchaser can terminate the lease on 90 days' notice, even when the tenant has a lease that extends beyond 90 days after foreclosure.

Foreclosure Intervention: Protecting Renters

Tenants with Section 8 housing choice voucher assistance have additional protections, which allow them to retain their Section 8 lease and require the successor in interest to assume the housing assistance payment contract associated with that lease.

The PTFA applies to all foreclosures on all residential properties; traditional one-unit single family homes are covered, as are multi-unit properties. The law applies in cases of both judicial and non-judicial foreclosures. Tenants with lease rights of any kind, including month-to-month leases or leases terminable at will, are protected as long as the tenancy was in effect as of the date of transfer of title at foreclosure.

The 90-day notice to vacate can only be given by the successor in interest at foreclosure. The 'successor in interest' is whoever acquires title to the property at the end of the foreclosure process. It could be the financial institution that held the mortgage or it could be an individual who purchased the property at foreclosure. Notices of the pending foreclosure, while desirable, do not serve as the 90-day notice required by the PTFA.

The PTFA applies in all states, but does not override more protective state laws. The PTFA specifically provides that it does not affect "any [s]tate or local law that provides longer time periods or other additional protections for tenants." Consequently, state law should be examined whenever there is a tenant in a foreclosed property to maximize the protections available to tenants. State and local law may also help fill some of gaps in the federal law, such as the form (e.g., written or oral) and delivery mechanism for the 90-day notice (e.g., in person, by mail, or by another method).

The PTFA provisions expire at the end of 2014.

Other protections. Prior to creation of the PTFA, some financial institutions and Freddie Mac and Fannie Mae independently developed programs to assist renters in foreclosed properties to remain in their homes and offered 'cash for keys' programs that provide monetary assistance to occupants of foreclosed properties if the occupants agree to leave in a specified period of time, usually 30 days or less. While both the month-to-month lease programs and cash for keys program are options that tenants should consider, these options are in addition to, and not a substitute for, the rights provided under the PTFA. Tenants should seek the advice of counsel before accepting these options.

The American Recovery and Reinvestment Act of 2009 (ARRA), which predates the PTFA, applied similar renter protections to any foreclosed property purchased with Neighborhood Stabilization Program funds. However, in addition to the 90 days' notice requirement and the right to remain in the home for the remaining term of any lease, ARRA further prohibits recipients of NSP funds from discriminating against (i.e. refusing to rent to) holders of Section 8 assistance.

WHAT ADVOCATES NEED TO KNOW NOW

On December 8, 2011, Representative Keith Ellison (D-MN) introduced H.R. 3619, which would repeal the sunset date for the PTFA and add a private right of action for renters whose rights under the PTFA have been violated.

TIPS FOR LOCAL SUCCESS

Implementing the PTFA provisions can be challenging. The law was effective upon enactment, and no federal agency is charged with interpreting the law or with writing regulations to enforce it. Because the law is self-implementing, if challenged individual tenants need to be able to assert their rights. NLIHC, in conjunction with the National Housing Law Project, has developed a toolkit for renters in foreclosed properties. The toolkit contains sample letters, copies of the PTFA, and other materials designed to assist tenants and their advocates in implementing the law and protecting tenants' rights, see <http://nlihc.org/library/other/foreclosure>.

Relying on individual tenants to assert their rights is a time-consuming process. A better approach is for the entities and institutions involved in the foreclosure process— financial institutions, lawyers, judges, and real estate professionals—to recognize and abide by the law. Advocates at the local level should make area courts and attorneys aware of the law through letters and other contacts.

All federally insured or chartered financial institutions have been informed of the law and instructed to comply with it. If a financial institution does not comply with the law, it is important that advocates identify the foreclosing institution and hold it accountable for the outcome. Federal financial institution regulators have information on their websites that will help identify the relevant regulator for a foreclosing institution and help tenants and advocates lodge a complaint against the institution. See below for contact information for federal banking regulators.

WHAT TO SAY TO LEGISLATORS

Legislators should be educated on the fact that as many as 40% of families faced with foreclosures are renters who are truly blameless in the situation. Federal lawmakers also need information on financial institutions compliance or lack thereof with the PTFA. Lawmakers should also be urged to consider changes to bankruptcy laws and other legislation that would encourage lenders to allow former homeowners and renters to stay in their homes.

In addition, because PTFA protections expire at the end of 2014, advocates should ask their lawmakers to support H.R. 3619, which would make the protections permanent and would add a private right of action for tenants whose rights under the PTFA have been violated. The private right of action is important as it would add an enforcement mechanism to the protections included in the law.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

NLIHC renter's toolkit can be found at <http://nlihc.org/library/other/foreclosure>

General guidance and guidance for public housing agencies is available at <http://nlihc.org/issues/foreclosure/ptfa> in the attached file titled, "HUD Regulatory Guidance."

Guidance for FHA: <http://edocket.access.gpo.gov/2010/pdf/2010-27309.pdf>

For regulatory agency guidance, see:

- Federal Deposit Insurance Corporation (FDIC): www.fdic.gov/news/news/financial/2009/fil09056.html
- Federal Reserve Board of Governors (FRB): www.federalreserve.gov/boarddocs/caletters/2009/0905/caltr0905.htm
- Office of the Comptroller of the Currency (OCC): www.occ.gov/news-issuances/bulletins/2009/bulletin-2009-28.html
- Office of Thrift Supervision (OTS): <http://files.ots.treas.gov/25319.pdf>
- National Credit Union Administration (NCUA): www.ncua.gov/resources/RegulatoryAlerts/Files/2009/09-RA-08.docx

For information on the regulatory agency complaint process, see :

- FDIC: www2.fdic.gov/starsmail/index.asp
- FRB: www.federalreserveconsumerhelp.gov
- OCC: www.helpwithmybank.gov/complaints/index.html
- OTS: www.ots.treas.gov/?p=ConsumerComplaintsInquiries
- NCUA: www.ncua.gov/Resources/ConsumerInformation/Complaints/index.aspx

Information about the Freddie Mac program can be found at: www.freddiemac.com/news/archives/servicing/2009/20090305_reo-rental-initiative.html

Information about the Fannie Mae program can be found at: www.fanniemae.com/newsreleases/2009/4581.jhtml?p=Media&s=News+Releases



Advocacy Story: Training and Education Increase New Law's Effectiveness

In August 2010, after Massachusetts advocates succeeded in gaining passage of a law protecting tenants from no-cause evictions after foreclosure, they went right to work to make the new law a reality. Their goal was to inform tenants, agencies, courts and the banks about the law's protections.

To make sure the new law actually did its job, advocates asked the Massachusetts Law Reform Institute (MLRI) to develop effective training and informational materials. MLRI responded with summaries, training packets, pro-se court pleadings and a brochure for tenants available in several languages that has now been accessed by thousands of people. MLRI also conducted trainings for judges, government officials, agencies and community groups.

The result of the combined work of legal services lawyers in the courtroom, and the neighborhood groups armed with these publications in the field, has been remarkable. In a short period of time it was widely known that tenants in bank-owned properties could not be evicted without just cause, and that the banks must inform tenants of their rights, who to call for repairs, where to pay the rent and more. In most courts, the number of post-foreclosure no-cause evictions has dropped dramatically – often to zero.

The law is M.G.L. Chapter 186A and information can be found at <http://masslegalhelp.org/housing/foreclosures>

HEALTHY HOUSING

By Jane Malone, Director of Policy, National Center for Healthy Housing

Indoor pollution and hazards inside our homes typically pose far greater risks to children's health than outdoor exposure. This is due to the fact that children spend as much as 90% of their time indoors, and toxic substances can reach more concentrated levels indoors than they do outside. Older, dilapidated housing with lead-based paint, and the dust and soil it generates, are the biggest sources of lead exposure for children. Often these units have a combination of health dangers that include dust mites, molds, and pests which can cause or trigger asthma; carcinogens, such as asbestos, radon and pesticides; and other deadly toxins such as carbon monoxide.

In 2011, two key legislative initiatives related to health and housing were passed by Congress. The first is a healthy homes legislation that promotes national leadership and accountability among federal agencies. The second is livable community legislation to create long-term affordable, accessible, energy-efficient, healthy, location-efficient housing choices.

ADMINISTRATION

Both of these programs are administered by HUD's Office of Healthy Homes and Lead Hazard Control (OHHLHC) and by a number of other agencies.

HISTORY AND PURPOSE

Healthy Homes Program. The Healthy Homes Program was established by HUD in 1999 to protect children and their families from residential health and safety hazards. The goal of this program is a comprehensive, integrated approach to housing hazards through two grant programs which create and demonstrate effective, low-cost methods of addressing mold, lead, allergens, asthma, carbon monoxide, home safety, pesticides, and radon. These grant programs are housed in the HUD's OHHLHC.

Lead Hazard Control. The Residential Lead-Based Paint Hazard Reduction Act, or Title X of the Housing and Community Development Act of 1992, was enacted to move the nation beyond preoccupation with the presence of lead-based paint. The focus became strategic in order to make housing safe for children by preventing exposure to paint that has deteriorated due to poor maintenance, and invisible lead dust caused by repair and painting work that disturbs lead-based paint. The law established the Lead Hazard Control Grants Program to provide grants to state and local governments to control lead-based paint hazards in privately owned, low income owner-occupied and rental housing. In 2003, Congress added the Lead Hazard Reduction Demonstration Grants to target additional lead hazard control grants to the nation's highest-risk cities. Both programs and enforcement of related regulations are housed in the HUD OHHLHC.

More than 110,000 homes have been made lead-safe under the lead hazard control programs.

While these represent just a fraction of the estimated 30 million U.S. housing units with lead-based paint hazards, the programs have rendered some of the nation's highest-risk homes safe for future occupants and built lasting capacity to continue to prevent and control lead hazards.

The beneficiaries of the lead hazard control program must be low income households. Rental units must be available on a priority basis for families with children under age six for at least three years. Ninety percent of owner-occupied units must house or be regularly visited by a child under age six. Because the funds do not cover all housing eligible under federal policy, each grantee develops its local plan and is permitted to target investment of grant funds based on factors such as the presence of a lead-poisoned child and location in a high-risk neighborhood. The programs' funds are awarded via a competitive combined Notice of Fund Availability (NOFA).

ISSUE SUMMARY

Recent research confirms that housing policy has a profound impact on public health and for any public health agenda to be effective it must include a housing component. Consider the following statistics and key findings regarding the long-term effects of housing-related health hazards are alarming.

Lead poisoning, chronic low-level carbon monoxide exposure and asthma all greatly interfere with a child's ability to learn and perform in school. In fact, 10% of juvenile delinquency is attributed to lead poisoning. Elevated blood levels are associated with decreased academic achievement cognition problems, increased incidence of Attention Deficit Hyperactivity Disorder and other behavior problems. In 2008, the economic costs to society of lead poisoning alone are estimated at \$60 billion. Housing-related injuries result in significant costs as well, including lost learning and earning potential of children; lost work days for parents caring for ill children's medical expenses,

including emergency room visits; and special education costs. Asthma costs the U.S. economy \$16 billion each year in direct and indirect expenses.

The burden of housing-related health hazards falls disproportionately on our most vulnerable children and communities, making for striking disparities in health impacts. African-American children are twice as likely to have asthma and are six times more likely to die from it than white children. Households with annual incomes less than \$30,000 are twice as likely as others to have lead hazards in their homes. Children from low income families are eight times more likely to be lead-poisoned than those from higher income families, and African-American children are five times more likely than whites to be lead-poisoned. In some locales, African-American and Latino children are eight to nine times more likely to enter school with a history of lead poisoning. Children poisoned by lead are seven times more likely to drop out of school and six times more likely to end up in the juvenile justice system.

Those numbers begin to multiply and add up to even bigger consequences when dealing with the cumulative effects of multiple hazards. In such instances, careful attention, coordinated assessment, remediation activities, and a ‘whole-house’ approach are critical. Inadequate ventilation increases the concentration of indoor air pollutants such as radon and carbon monoxide and exacerbates moisture and humidity problems. Moisture causes paint deterioration, which puts children at risk of exposure to leaded dust and paint chips. Moisture also encourages growth of mold, mildew, dust mites, and microbes, which contribute to asthma and other respiratory diseases. Asthma is an allergic reaction to certain triggers such as dust, mold, pests (such as cockroaches, rats and mice), cold air, and dry heat. Use of common pesticides to control infestations contaminates homes with known carcinogens.

The ballooning costs for medical care and other housing-related health hazards justify investments in primary prevention to address unhealthy housing conditions before they cause illness. A whole-house approach must become the focus since housing-related health hazards often have overlapping effects, causes, and solutions. Additionally, solutions and opportunities may arise through existing weatherization and rehabilitation work.

As the federal government continues to invest in weatherization and other energy-saving measures, advocates should ensure that recipients of these funds do not create new health hazards and instead help address existing hazards. Since improperly disturbing lead-based paint may cause lead poisoning, it is necessary to use lead-safe work practices and comply with EPA’s renovation rule. Many weatherization treatments have healthy homes benefits as well, such as window replacement that can also help with lead poisoning prevention, and roof and insulation repair that may help reduce moisture intrusion and prevent mold. Improving ventilation to ameliorate the ill effects of tightening a building is also an appropriate way to ensure no harm from energy-efficiency measures.

Much of the infrastructure to achieve healthy housing is in place, but missed opportunities to make housing healthier occur within some existing programs. Modest adjustments in policies and practices could minimize those missed opportunities, maximize resources and achieve better results.

Programs based at HUD:

Healthy Homes Production Grant Program. The Healthy Homes Production grant program, modeled after the previously successful Healthy Homes Demonstration programs, funds preventive and corrective measures to address housing-related health and safety hazards. Eligible entities include nonprofits, for-profits, state and local governments, tribes, and colleges and universities. Funds can be used for direct remediation of housing units, for education and outreach activities to protect children from health and safety hazards, and for building capacity to sustain healthy homes programs. HUD’s OHHLHC annually awards 12 cooperative agreements of up to \$1 million each.

Healthy Homes Technical Studies Grant Program. The goal of the Healthy Homes Technical Studies grant program is to develop and improve cost-effective methods for evaluating and controlling residential health and safety hazards. Eligible entities include academic and nonprofit institutions, state and local governments, tribes, and for-profit organizations. Funds can be used to develop validated assessment tools, improve environmental sampling and Integrated Pest Management protocols, and evaluate interventions. HUD’s OHHLHC annually awards between six and 10 cooperative agreements of up to \$1 million each.

Asthma Interventions in Public and Assisted Multifamily Housing. The objectives of the Asthma Interventions in Public and Assisted Multifamily Housing program are to (1) support the development and implementation of cost-effective, replicable interventions and protocols for the control of asthma; (2) create sustainable programs and policies for reducing asthma triggers in the indoor environment; and (3) evaluate the effectiveness of asthma control programs and interventions. Eligible entities include academic and nonprofit institutions, state and local governments, tribes, and for-profit organizations. Points are awarded for direct participation by the CDC Asthma Control Program grantee. In its first year, the program was slated to fund between five and eight cooperative agreements, with no award larger than \$1 million.

Lead Hazard Control Grants. The typical award of \$3 million addresses hazards in several hundred homes and provides needed outreach and capacity-building services. At least 65% of the grant must be used for direct activities such as abatement, interim control, clearance, and risk assessment. Grantees are required to partner with community groups, typically by awarding sub-grants, and to provide a match of 10% from local or CDBG funds. More than \$1 billion has been awarded since the program started in 1993. The combined budget authority

for lead hazard control grants and demonstration grants (described below) was \$197 million in FY09, \$114 million in FY10, \$ 94 million in FY 11, and \$107 million in FY 12. The President has proposed \$86 million for FY 13.

Lead Hazard Reduction Demonstration Grants. This program targets funds for lead hazard control to the nation's 100 highest-risk cities as defined by the prevalence of lead poisoning and the number of pre-1940 rental housing units. The operation of the program mirrors the core lead hazard control program in that grants can only be awarded to states, counties, and cities for lead hazard control in private housing. Grants may be as high as \$4 million, but 80% of the funds must be spent on direct activities, and HUD requires a 25% local match from local or CDBG funds, which can be waived based on well-justified need. High-risk cities can receive demonstration grants in addition to basic lead hazard control grants.

Lead Technical Studies Program (LTS). This program assists academic institutions, nonprofit and for-profit organizations, states, Native American tribes and local governments to conduct research to gain knowledge on improving the efficacy and cost-effectiveness of methods for evaluation and control of residential lead-based paint hazards. Each year the OHHLHC awards roughly between two and four cooperative agreements of up to \$500,000 each.

Disclosure Law Enforcement. Title X also directed HUD to enforce the required disclosure of lead hazards to the potential renter or purchaser of every pre-1978 home. As a result of disclosure enforcement actions, more than 200,000 dwelling units in multifamily rental properties have received ordered repairs. The regulation is published at 24 CFR 35 Subpart A.

Lead-Safe Housing Rule. At least \$1 million federally subsidized homes have been made and kept safe due to requirements under the Lead Safe Housing Rule (24 CFR 35 Subparts B-R).

Programs at Other Federal Agencies:

Healthy Homes and Lead Poisoning Prevention Program. Authorized by Congress in 1988, CDC's Childhood Lead Poisoning Prevention Program develops programs and policies to prevent childhood lead poisoning, educates the public and healthcare providers about childhood lead poisoning, and provides funding to state and local health departments to determine the extent of childhood lead poisoning by screening children for elevated blood lead levels, helping to ensure that lead-poisoned infants and children receive medical and environmental follow-up, and developing neighborhood-based efforts to prevent childhood lead poisoning. This program's funding was reduced from \$31 million in FY11 to \$2 million in FY12, and there have been proposals to merge it with a CDC asthma program or move it to a home visiting program.

Renovation, Repair, and Painting Rule. The EPA's Renovation, Repair, and Painting Rule requires contractor certification and use of lead-safe work practices for all work in all pre-1978 residences. The rule took effect on April 22, 2010. The rule provides a framework for educating and regulating the construction industry to work safely in order to increase awareness of health hazards in housing.

Maternal, Infant, and Early Childhood Home Visiting Grants Program. This is a \$1.5 billion, five-year, state-based formula grant program for home visiting programs that provide services and support to pregnant women, infants, children up to kindergarten age and their families. The program was jointly developed by the Maternal and Child Health Bureau of the Health Resources and Services Administration and the Administration for Children and Families. In the program's third year, Congress appropriated \$250 million. To secure funding, states completed a needs assessment and developed a plan for addressing these needs. There is growing agreement that programs visiting the homes of high-risk families should include a healthy homes assessment; three states have piloted this approach.

WHAT ADVOCATES NEED TO KNOW NOW

Healthy Housing Council Act and Safe and Healthy Housing Act. In the 112th Congress, Senator Jack Reed (D-RI) introduced the Healthy Housing Council Act (S. 1617) that would help move the federal government towards an integrated approach in addressing health hazards in housing.

Livable Communities Act. In the 112th Congress, Senator Robert Menendez (D-NJ) introduced legislation (S. 1621) that envisions a nationwide plan to promote livable communities through sustainable infrastructure for transportation, housing, land use and economic development; companion legislation was introduced in the House by Representative Ed Perlmutter (D-CO) as H.R. 3325. The act's provisions would ensure that people across the United States enjoyed the benefits of well-designed, highly coordinated strategies for location-efficient, energy-efficient communities. Inherently, living in sustainable communities benefits people's health on many levels. As amended in the Senate, the bill advances healthy housing strategies that can contribute significantly to sustainability and energy efficiency, as well as long-term housing affordability, as the following provisions show:

- The proposed Interagency Council on Sustainable Communities would be responsible for supporting healthy housing, recommending legislation or other actions to eradicate housing-related health hazards, and conducting a detailed study of how sustainable building features such as energy efficiency in housing, affect the quality of the indoor environment, the prevalence of housing-related health hazards and the health of occupants.
- The proposed Community Zoning and Land Use Planning Grant and Building Code Enforcement Grant Program, which would provide grants to states, localities, and tribal authorities to fund code updates and enforcement, largely incorporates the Community Building Code Administration

Grant Act of 2009. This key legislation that will advance healthy homes and was supported by the National Safe and Healthy Housing Coalition and the International Code Council.

- Authorization for two new grant programs that would advance healthy homes at the local level, including a Comprehensive Planning Grant Program and a Sustainability Challenge Grant Program.

TIPS FOR LOCAL SUCCESS

Many communities have improved the quality of their housing stock and have eliminated housing-related health hazards by implementing or better enforcing minimum housing codes. For example, sanitary codes prohibit peeling paint, standing water, chronic moisture, roof and plumbing leaks, and pest infestation. Requiring the presence of carbon monoxide detectors in new and existing housing is important. The International Code Council adopted changes to the model residential code for 2009, requiring carbon monoxide detectors in new homes with fuel-burning appliances or attached garages. Increasing public awareness of mold and concern about other housing-related hazards is fueling new attention to state and local regulation of healthy homes issues.

WHAT TO SAY TO LEGISLATORS

Advocates should contact their Members of Congress and ask to speak to the person who deals with housing policy with the message that funding is needed in FY13 to correct health and safety hazards and ensure that privately owned affordable housing is safe and healthy. Advocates should inform legislators of the following ways through which they can lend support for reducing housing-related health problems:

- Fully fund HUD's Healthy Homes and Lead Hazard Control Program through which communities can fix homes with health hazards including lead-based paint problems. Support the President's FY13 proposal for \$120 million, including \$30 million for healthy homes, \$86 million for lead hazard control/demonstration, and \$4 million for technical studies.
- Fully fund CDC's Healthy Homes and Lead Poisoning Prevention Program so local and state health departments can respond to lead-poisoned children and promote prevention. Reject proposals to combine it with another program without providing sufficient funds for current federal and state/local healthy homes and lead poisoning prevention work.
- Pass and implement the Healthy Housing Council Act.

FOR MORE INFORMATION

National Center for Healthy Housing • 202-280-1982 • www.nchh.org

National Safe and Healthy Housing Coalition • www.nchh.org/Policy/National-Safe-and-Healthy-Housing-Coalition.aspx

More information on how local and state housing codes and landlord-tenant laws address health considerations at: www.healthyhomestraining.org/codes/index.htm

HOME INVESTMENT PARTNERSHIPS PROGRAM

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

The HOME program is a federal block grant designed to expand the supply of decent, affordable housing for lower income people.

ADMINISTRATION

The HOME program is administered by the Office of Affordable Housing Programs in HUD's Office of Community Planning and Development (CPD).

HISTORY

The HOME Program was authorized in 1990 as part of the Cranston-Gonzalez National Affordable Housing Act.

PROGRAM SUMMARY

HOME is a federal block grant to participating jurisdictions (PJs), which are states and certain localities that use the funds to provide affordable housing to low and moderate income households. States and localities use the funds for a variety of homeownership and rental activities. In general, all HOME money must benefit people with low or moderate incomes, rents must be affordable, and units must remain affordable for a set period of time.

Eligible activities. HOME dollars can be used as a grant or a loan to meet a variety of development costs such as buying existing housing or vacant land for affordable housing, building new housing, rehabilitating existing housing, demolition to make way for affordable housing, relocation, site improvements, and various 'soft costs' such as engineering plans, attorneys' fees, title search, and fair housing services. HOME can also be used to help people purchase or rehabilitate a home by offering loans, loan guarantees, or down payment assistance. Tenants can be given grants for security deposits and rental assistance so that they need pay no more than 30% of their income for rent and utilities. Although tenant-based assistance agreements are limited to two-year terms, they can be renewed without limit.

At least 15% of a participating jurisdiction's HOME funds must be spent for housing that is developed, sponsored, or owned by Community-based Housing Development Organizations (CHDOs; see gray box for more information). Up to 10% of the CHDO set-aside can be used to provide loans for project-specific technical assistance and site control (such as feasibility studies and consultants) as well as for seed money to cover pre-construction costs (such as architectural plans and zoning approval). If a PJ fails to reserve any portion of the minimum 15% CHDO set-aside within two years, the PJ (and low income residents) lose that amount of money.

PJs can spend no more than 10% of their HOME dollars for overall program planning and administration, but there is no set limit on the use of HOME funds for project-specific administrative costs. Up to 5% of a PJ's HOME funds can be given to CHDOs for operating expenses. This amount is separate and apart from the minimum 15% CHDO set-aside and does not count against the PJ's 10% cap on administrative uses.

Among other limitations, PJs cannot spend HOME dollars on public or assisted housing modernization, operation, or preservation.

Formula allocation. A formula based on six factors reflecting measures of poverty and the condition and supply of the rental housing stock determines which local jurisdictions are PJs. Jurisdictions that do not meet the formula's threshold can get together with neighboring jurisdictions to form a 'consortium' in order to get HOME funding.

Each year, the formula distributes 60% of the HOME dollars to local governments and consortia; the remaining 40% is allocated to states. Local PJs are eligible for an allocation of at least \$500,000. Each state receives its formula allocation or \$3 million, whichever is greater. The state share is intended for small cities, towns, and rural areas not receiving HOME money directly from HUD. Every HOME dollar must be matched by 25 cents of state, local, or private contributions, which can be cash (but not Community Development Block Grant funding), bond financing proceeds, donated materials, labor or property, or other noncash contributions.

Beneficiaries. When HOME is used to assist renters, at least 90% of the units must be occupied by households with incomes below 60% of the area median income (AMI); the remaining 10% of the rental units can benefit those with incomes up to 80% of AMI ('low income'). If a rental project has five or more HOME units, at least 20% of the HOME units must be occupied by households with incomes below 50% of AMI ('very low income'). When HOME is used to assist people who are homeowners or who will become homeowners, all of that money must be used for housing occupied by households with incomes below 80% of AMI. These are minimum standards required by law. Advocates should work to improve HOME's targeting to people with 'extremely low' incomes, those below 30% of AMI.

Affordability. To qualify as affordable rental housing, rent can be no greater than the fair market rent (FMR) or 30% of the adjusted income of a hypothetical household with an annual income of 65% of AMI, whichever is lower. In projects with five or more HOME units in which at least 20% of the HOME units must be occupied by households with very low incomes, rent is considered affordable to them if it less than 30% of their adjusted income or less than 30% of the income of a hypothetical household with an annual income at 50% of AMI. Actual rent limit figures are posted on the HOME program web page at www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent.

Newly constructed rental projects must remain affordable for 20 years. Existing rental housing that is either purchased or rehabilitated must remain affordable for 15 years if more than \$40,000 per unit is spent, 10 years if between \$15,000 and \$40,000 per unit is spent, and five years if less than \$15,000 per unit is spent.

Homeowner-assisted units are considered affordable if, in general, the value of the house after assistance is less than 95% of the median area purchase price. Homeowner units must remain affordable for the same periods mentioned above. PJs must have ‘resale’ and ‘recapture’ provisions to ensure affordability during the required periods. A resale provision must require purchase by an income-eligible household if an original homeowner sells before the end of the affordability period. A recapture provision must ensure that all or a portion of HOME assistance is recouped if an owner sells or is foreclosed upon.

FUNDING

In FY11, Congress appropriated \$1.6 billion for HOME formula grants. The Administration requested \$1.65 billion for FY12 and Congress appropriated only \$1 billion, a 38% cut.

WHAT ADVOCATES NEED TO KNOW NOW

In May, 2011 *The Washington Post* began a series of articles critical of the HOME program. In response, NLIHC wrote that while the series did expose the existence of some project mismanagement and private sector greed, the articles used sensationalized language and failed to report that more than 1 million affordable units have been completed. Nonetheless, Congress used the articles as a basis for making a 38% cut to the program for FY12.

On December 16, 2011 HUD published for comment, long-awaited proposed revisions to the HOME regulations. Comments were due by February 4, with a final rule anticipated in the fall of 2012. The majority of the proposed regulations made operational sense. NLIHC’s comment letter is available at <http://nlihc.org/library/testimony>.

TIPS FOR LOCAL SUCCESS

At the local level advocates will want to continue to be actively involved in the Consolidated Plan’s Annual Action Plan public participation process in order to influence the type of housing, location, and beneficiaries of HOME dollars.

Advocates can best influence how HOME dollars are allocated if they know how a jurisdiction has spent its previous allocations. To monitor their local PJ’s accomplishments, advocates can access several useful reports on HUD’s web site, www.hud.gov/offices/cpd/affordablehousing/reports.

- The monthly Open Activities report lists each HOME project in a PJ, indicating tenure type (renter or homeowner), type of activity (such as rehabilitation, acquisition, or new construction), zip code, number of units, and amount budgeted and spent.
- The Vacant Unit Reports identify units marked ‘vacant’ in HUD’s reporting system.
- SNAPSHOT is a quarterly cumulative report that shows, in the aggregate, income category, race, household size, and household type of beneficiaries, as well as the number of units completed for each type of housing.

Community-based Housing Development Organizations (CHDOs)

Any nonprofit can receive a HOME grant or loan to carry out any eligible activity, but not every nonprofit is a CHDO. In order to be considered a CHDO, the law requires accountability to low income community residents through significant representation on the organization’s governing board. However, the regulations merely require that one-third of a CHDO’s board members be elected representatives of low income neighborhood organizations, residents of low income neighborhoods, or other low income community residents. Since a low income neighborhood is one where only 51% of the residents have incomes below 80% of AMI, it is possible that more affluent people with very different priorities could be on a CHDO board. Also, because the regulations allow ‘community’ to be defined as broadly as an entire city, county or metropolitan area, it is possible to construct a CHDO that is not accountable to low income residents in a HOME project’s neighborhood.

(TIPS FOR LOCAL SUCCESS continued)

- Dashboard Reports are quarterly reports intended to provide a quick overview of a jurisdiction's use of HOME dollars. Using charts and graphs, Dashboard Reports show:
 - o Cumulative HOME dollars received and percentage disbursed, committed, and uncommitted.
 - o Cumulative number of units completed, and percentage of rental, homeowner rehab, and home buyer units.
 - o Net number of units completed in the most recent quarter, with percentage of rental, homeowner rehab, and home buyer units.
 - o Cumulative number and the last quarter's net new number of tenant-based rental assistance units.
 - o Race and ethnicity percentages among rental, homeowner rehab, and home buyer projects.
 - o Average total development cost per unit for rental, homeowner rehab, and home buyer projects.

WHAT TO SAY TO LEGISLATORS

The major responsibility of advocates is to continue pushing for increased federal appropriations.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

HOME Program Information • 202-708-2470 • www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm.

HOME Units

According to an email from HUD, based on data as of December 31, 2011, since 1992 HOME has delivered 1,049,852 completed physical units and provided 254,821 tenant-based rental assistance contracts. Out of the 1,049,852 physical units, 38% (400,491) were rental units, 20% (204,857) were homeowner rehabilitation units and 42% (444,504) were home buyer units.

At the time of initial occupancy, households with incomes below 30% of AMI occupied 43.8% of the physical rental units, 30.9% of the homeowner units, and 6.0% of the home buyer units. In addition, 79.4% of the tenant-based rental assistance units were occupied by extremely low income people.

HOMELESSNESS PREVENTION AND RAPID RE-HOUSING

By Norm Suchar, Director of Capacity Building, National Alliance to End Homelessness

The American Recovery and Reinvestment Act of 2009 (ARRA) included \$1.5 billion for a new Homelessness Prevention and Rapid Re-Housing Program (HPRP). The program distributed funds by formula to city, county, and state governments for the purpose of preventing homelessness and quickly re-housing people who become homeless.

ADMINISTRATION

HPRP is operated by HUD's Office of Community Planning and Development.

HISTORY

In February 2009, Congress passed ARRA, its economic stimulus bill that provided nearly \$800 billion to help improve the economy. One provision was a new Homelessness Prevention Fund, which became HPRP. HUD quickly created guidelines for the program, and communities began operations in the fall of 2009. At least 60% of funds had to be expended by mid-2011, and all funds have to be expended by mid-2012.

PROGRAM SUMMARY

HPRP funding was distributed through a formula similar to the one that HUD uses for the Community Development Block Grant (CDBG) program to city, county, and state governments. However, some of the smaller CDBG grantees did not receive awards.

Eligible activities include but are not limited to short- or medium-term rental assistance; housing relocation and stabilization services; housing search assistance; mediation or outreach to property owners; security or utility assistance; and case management. Local and state governments have a great deal of flexibility with respect to the design of their programs and how funds are distributed.

Eligible recipients include people with income below 50% of the area median income (AMI) who are likely to become homeless without assistance. However, HUD has increasingly encouraged communities to provide assistance to people with lower incomes and who are most likely to become homeless "but for" the assistance that HPRP provides.

Grantees had two years from the time they signed their grant agreements to expend 60% of their funds (for most grantees, this was deadline fell in the summer of 2011) and three years to expend all funds. HUD posts information about how much each community has expended on Homelessness Resource Exchange (www.hudhre.info).

Information about people served and how funds are spent is tracked in the Homelessness Management Information Systems (HMIS) or similar databases used by communities for their HUD homeless assistance programs.

HPRP is very similar to the new Emergency Solutions Grant (ESG) program that is now being implemented. Communities have been notified about their ESG awards, and they are submitting amendments to their consolidated plans to describe how they will utilize funding.

FUNDING

Congress provided \$1.5 billion for HPRP through ARRA. HPRP is not expected to become a permanent program; the Administration has not requested additional funding.

WHAT ADVOCATES NEED TO KNOW NOW

HPRP is the government's primary tool for combating the increase in homelessness caused by the recession. Recently, HUD Secretary Shaun Donovan credited HPRP with preventing a huge increase in homelessness. The success of HPRP is a strong argument for increasing homeless assistance funding for the new Emergency Solutions Grant (which is part of the appropriation for HUD's Homeless Assistance Grants) and for the Supportive Services for Veterans and their Families (SSVF) program, which is a program very similar to HPRP that is operated for veterans through the Department of Veterans' Affairs. These activities can also be supported using Temporary Assistance for Needy Families (TANF). The Administration requested in its proposed FY13 budget an increase in HUD homeless assistance funding to \$2.231 billion and an increase in SSVF funding to \$300 million.

TIPS FOR LOCAL SUCCESS

After the initial implementation of HPRP, many communities are evaluating their programs and seeking to improve the impact of the homelessness prevention and rapid re-housing programs created by HPRP. Advocates should encourage their HPRP providers to focus on people who are already homeless or those at highest risk of becoming homeless, especially those with little or no income and who have been forced to double up. HUD has encouraged communities to use as much of their assistance for currently homeless people as possible.

WHAT TO SAY TO LEGISLATORS

Advocates should speak to their Members of Congress with the message that HPRP was an extremely effective solution that helped prevent and end homelessness for over a million people. These same strategies should be continued through the Emergency Solutions Grant by supporting an appropriations level of \$2.231 billion for Homeless Assistance Grants and the Supportive Services for Veterans and their Families Program by supporting an appropriation of \$300 million. Both are the levels requested in the President's proposed FY13 budget.

FOR MORE INFORMATION

National Alliance to End Homelessness · 202-638-1526 ·
www.endhomelessness.org

HOPE VI/ CHOICE NEIGHBORHOODS INITIATIVE

By Linda Couch, Senior Vice President for Policy and Research, National Low Income Housing Coalition

The HOPE VI public housing program provides funds to revitalize the nation's severely distressed public housing stock through demolition, construction, rehabilitation, and other physical improvements; development of replacement housing; and the provision of community and supportive services. Legislation to reauthorize the HOPE VI program could bring much-needed reforms to HOPE VI, which has resulted in the demolition of more than 155,000 public housing units but the rebuilding of only 50,000 of these public housing units.

The Choice Neighborhoods Initiative (CNI) is HUD's successor to the HOPE VI program. Like HOPE VI, CNI focuses on severely distressed public housing properties. But CNI expands HOPE VI's reach to include assisted housing properties and entire neighborhoods. In FY10 and FY11, Congress funded HOPE VI at \$35 million, and funded CNI at \$65 million. In FY12, Congress did not fund HOPE VI but did fund CNI at \$120 million.

ADMINISTRATION

Both HOPE VI and CNI grants are awarded through HUD's Office of Public and Indian Housing.

HISTORY AND PURPOSE

HOPE VI program. In 1989, Congress established the National Commission on Severely Distressed Public Housing. The commission was charged with identifying severely distressed public housing and devising a plan to address the problem, and the commission submitted its findings to Congress in 1992. The commission found that 6% of public housing units, or 86,000 units, were severely distressed and recommended that Congress create a revitalization plan.

As a result, in 1992, Congress created the HOPE VI program in an appropriations act with the goal of revitalizing dilapidated public housing units. Funds allocated to the HOPE VI program are used for eligible activities under the program, including demolishing public housing units, rehabilitating units, and relocating residents. The program was funded in annual appropriations bills.

In 1999, Congress for the first time passed authorizing legislation for HOPE VI within the Quality Housing and Work Responsibility Act of 1998 (QHWRA; pronounced 'kwa-ra'). Under QHWRA, the purposes of the program were to improve the living environment of public housing residents, to revitalize the sites on which severely distressed public housing units were located, to decrease concentration of poverty, and to build sustainable communities.

HOPE VI has since been reauthorized in various pieces of legislation for one- to three-year periods.

In 2003, protections were added for tenants, such as requiring the HUD Secretary to involve affected public housing residents

at the beginning and during the planning process. In addition, during the grant selection process, a criterion was added to reward minimizing the permanent displacement of current residents of public housing and prioritizing tenants of the existing developments to return to the revitalized development.

Advocates are troubled that, under the HOPE VI program, public housing agencies (PHAs) have demolished viable units and displaced families.

PROGRAMS SUMMARY

The HOPE VI program. The HOPE VI program is intended to benefit the current residents of severely distressed public housing, residents of the revitalized units, and communities surrounding the revitalized sites. The program is supposed to improve families' quality of life by moving them closer to jobs and better quality schools, which has occurred for some families. But HOPE VI has not been beneficial to everyone. Approximately 30% of residents surveyed continue to live in high-poverty and high-crime neighborhoods. A 2010 report from the University of Illinois at Chicago shows that most former residents of Chicago's now-demolished public housing still live in segregated, low income neighborhoods despite using housing vouchers to subsidize their rents.

HOPE VI grants are awarded annually on a competitive basis, generally to five or six housing agencies a year. The number of grants awarded annually has decreased as HOPE VI funding has gone down. HUD evaluates grants based on four factors: (1) demonstrated need for revitalization assistance, (2) capacity of applicants to use grants effectively, (3) quality of proposed revitalization plans, and (4) potential for applicants to use grants to leverage funds from other sources.

Any PHA that operates public housing units is eligible for a HOPE VI grant. HOPE VI grants are used for the capital

costs of demolition, construction, rehabilitation and other physical improvements; development of replacement housing; and community and supportive services. PHAs administer the program and can use the grants in conjunction with modernization funds or other HUD funds, as well as municipal and state contributions, public and private loans, and Low Income Housing Tax Credit (LIHTC) equity.

Choice Neighborhoods Initiative. While HOPE VI focused on grants to revitalize severely distressed public housing, CNI will focus its resources on transforming entire neighborhoods. The CNI program will award ‘planning grants’ and ‘implementation grants.’ Legislation to authorize the CNI program, introduced in 2011 by Representative Maxine Waters (D-CA) (H.R. 762) and Senator Robert Menendez (D-NJ) (S. 624), has not been enacted. Therefore, the program remains unauthorized, funded through the annual appropriations bill, and administered according to the details of the program’s NOFA, where HUD has stated its intention to focus its resources on three core goals: housing, people and neighborhood. HUD has stated that it wants CNI to:

- Transform neighborhoods of extreme poverty into mixed-income neighborhoods of long-term viability by revitalizing severely distressed housing.
- Improve access to economic opportunities, and invest and leverage investments in well-functioning services, educational opportunities, public assets, public transportation, and improved access to jobs.
- Grow communities and metropolitan areas by concentrating and coordinating federal funding for public transportation, education, housing, energy, supportive services, and environmental programs and initiatives.
- Support positive outcomes for families, including improvements in educational achievements and economic self-sufficiency.

HUD has thus far issued five CNI implementation grants, from a combination of FY10 and FY11 funding. The grants were awarded to eligible grantees in the cities of Boston, San Francisco, Seattle, New Orleans and Chicago for the redevelopment of neighborhoods that include public housing or HUD-assisted housing.

FUNDING

HOPE VI had been funded at \$100 million a year for several years. For FY10, the program received \$135 million. By FY12, Congress had eliminated funding for HOPE VI.

HUD first proposed CNI in its FY10 budget request to Congress, when it sought \$250 million for CNI and no funding for HOPE VI. Congress did end up appropriating \$200 million in FY10, but \$135 million of this was for HOPE VI and the other \$65 million for CNI. The same funding continued in FY11. In FY12, Congress opted not to fund any HOPE VI grants, instead funding only CNI, at \$120 million.

WHAT ADVOCATES NEED TO KNOW NOW

As the annual funding public housing agencies receive continues to be seriously insufficient for capital repair needs, the competition for funds from programs like HOPE VI increases. The Center on Budget and Policy Priorities estimates that at least several hundred public housing developments, out of about 14,000 developments, would qualify for the ‘severely distressed’ status required by the HOPE VI program.

Previous attempts at reform. Before the Obama administration introduced its proposal to turn HOPE VI into CNI, advocates worked to improve the HOPE VI program. In a victory for low income housing tenants and advocates, the House passed a bill in 2008 (H.R. 3524) that would make major improvements to the HOPE VI program, including requiring the one-for-one replacement of units revitalized through HOPE VI (with a limited waiver) and providing that residents of the original housing can live in the revitalized housing without having additional screening or eligibility requirements imposed on them.

The bill would also have established ‘mandatory core components’ of any proposed revitalization plan in order to be considered by the HUD Secretary for HOPE VI funding. The mandatory core components are evidence of severe distress, resident involvement and services, a temporary relocation plan, resident right to expanded housing opportunities, one-for-one replacement, fair housing and green developments. The bill would have also required PHAs to provide comprehensive relocation assistance to each household living at the site until two years after the development period under the HOPE VI plan, or the date on which all funding for community and supportive services has been expended, whichever comes first.

WHAT TO SAY TO LEGISLATORS

Legislators should be urged to:

- Support a CNI proposal that includes one-for-one replacement of units, a right of return for residents, meaningful resident participation, and significant supportive services and relocation assistance.
- Not fund the HOPE VI program until reforms are enacted to ensure a one-for-one replacement of units, increased residents rights to return and other tenant protections.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

National Housing Law Project • 415-546-7000 • www.nhlp.org

Center on Budget and Policy Priorities • 202-408-1080 • www.cbpp.org

HOUSING BONDS

By Mindy La Branche, Legislative and Policy Associate, National Council of State Housing Agencies

Housing bonds are used to finance low-interest mortgages for low and moderate income homebuyers and the acquisition, construction, and rehabilitation of multifamily housing for low income renters. Investors purchase housing bonds at low interest rates because the income from them is tax-free. The interest savings made possible by the tax exemption is passed on to homebuyers and renters in reduced housing costs. Unfortunately, the financial crisis continues to make it nearly impossible for housing finance agencies (HFAs) to sell housing bonds at rates that allow them to lend the proceeds affordably.

ADMINISTRATION

The housing bond program is overseen by the Department of the Treasury.

HISTORY

Private activity bonds were established under the Tax Code of 1954. These bonds were known as Industrial Development Bonds until the Tax Reform Act of 1986 and other legislation changed their name.

PROGRAM SUMMARY

Private activity bonds, a category that includes housing bonds, are distinct from other tax-exempt bonds because they are issued for private activities as opposed to governmental activities. The private activities must fulfill public purposes, and each private activity bond issuer must hold public hearings to demonstrate such public purposes. Private activity bonds are tax-exempt for the purchaser and are issued by state and local governments to support the stated public purpose. Purchasers, or investors, of private activity bonds can include individuals and corporations. In addition to housing, private activity bonds can be issued for public purposes that include student loans, infrastructure, and redevelopment activities.

HFAs have authority under the Internal Revenue Code to issue housing bonds to support affordable housing activities in their states. Issuing bonds is a way for HFAs to access private financing. HFAs sell the tax-exempt bonds to individual and corporate investors, traditionally including Fannie Mae and Freddie Mac (the housing government sponsored enterprises, or GSEs), who are willing to purchase bonds paying lower than market interest rates because of the bonds' tax-exempt status. This interest savings is passed on through private lenders to support housing purchase and development.

There are two main types of housing bonds: Mortgage Revenue Bonds (MRBs), which finance single-family home purchases for qualified low income homebuyers, and multifamily housing bonds, which finance the acquisition, construction and rehabilitation of multifamily developments for low income renters.

Mortgage Revenue Bonds. Proceeds from MRBs finance discount mortgages to support the purchase of single-family homes. By lowering the interest rate, MRBs make homeownership affordable for families who would not be able to meet mortgage payments on a conventional loan. Congress limits MRB mortgages to first-time homebuyers who earn no more than the greater of area or statewide median income. Families of three or more can earn up to 115% of the greater of area or statewide median income. Congress also limits the price of homes purchased with MRB mortgages to 90% of the average area purchase price.

Interested borrowers should contact their state or local HFA for information on obtaining an MRB loan.

Multifamily bonds. Multifamily bonds provide funding for multifamily housing development that reaches income groups the market might not otherwise serve.

Multifamily housing bonds finance the acquisition, construction, or rehabilitation of affordable rental housing. Multifamily housing bond financed developments must set aside at least 40% of their apartments for families with incomes of 60% of area median income (AMI) or less, or 20% for families with incomes of 50% of AMI or less. The income-restricted apartments financed by those bonds must remain affordable for at least 15 years.

States increasingly combine multifamily bonds with other resources, such as Low Income Housing Tax Credits (LIHTC) and HOME Investment Partnerships (HOME) program funds, to serve even lower income families for longer periods of time than the law requires. Furthermore, many multifamily bonds finance special needs housing, such as housing for the homeless, transitional housing, senior housing, assisted living housing, housing for persons with disabilities, housing for persons with AIDS, migrant worker housing and rural housing.

FUNDING

By law, the annual issuance of private activity bonds, including MRBs and multifamily bonds, is capped based on population and indexed to inflation. The 2012 cap is \$95 per capita, with a minimum of \$284.6 million in private activity bonding authority allowed each state.

In 2008, Congress provided \$11 billion in additional Housing Bond authority to the states and allowed them to use MRBs for refinancing adjustable rate mortgages originated after December 31, 2001 and before January 1, 2008. The additional bond and refinancing authority expired on December 31, 2010.

WHAT ADVOCATES NEED TO KNOW NOW

In 2009, the most recent year for which data are available, MRBs provided \$10.3 billion to support the purchase of nearly 41,857 homes nationwide. This represents an increase of \$182 million and a decrease of more than 54,600 homes from 2008, due to continued severe disruptions in the capital markets, bond issuance to raise proceeds that were escrowed for use in 2010, and bond refundings.

States issued over \$6 billion in multifamily bonds, and those bonds financed over 45,300 units in 2009. This represents an increase of \$1.3 billion in volume and 7,560 units from 2008.

HFA Initiative. In October 2009, the Administration announced its HFA Initiative. The two-point plan was designed to help HFAs expand their affordable lending efforts and strengthen their financial standing by overcoming obstacles to both created by the financial crisis. The plan created a temporary housing bond purchase program through Fannie Mae and Freddie Mac, the New Issue Bond Program (NIBP), to fund home loans and finance rental production at affordable rates; and created a temporary liquidity facility, the Temporary Credit and Liquidity Program (TCLP), for outstanding HFA Variable Rate Debt (VRD) to strengthen HFA lending capacity.

Under the initiative, the U.S. Department of Treasury has facilitated the sale of \$15.3 billion in housing bonds from 49 state and more than 50 local HFAs. The bond proceeds, in combination with the almost \$9 billion in retail housing bonds the initiative requires HFAs to issue, will allow HFAs to finance more than 200,000 affordable homes. According to Treasury, the NIBP program has helped HFAs finance more than 100,000 single-family homes and more than 24,000 rental homes, as of September 30, 2011.

The initiative also provided a dozen state HFAs \$8.2 billion in liquidity to support outstanding bond issues, strengthening their financial footing and freeing more of their resources for housing investment.

In November 2011, Treasury announced an extension of NIBP through 2012 and of TCLP through 2015.

Using MRBs, HFAs have made homeownership possible for more than 4 million low and moderate income families. They help another approximately 100,000 families buy their first homes with MRB mortgages in a typical year. The average income of an MRB borrower in 2009 was approximately \$46,500, 67% of the national average income.

HFAs have financed an additional 1 million affordable rental apartments with Multifamily Bonds. More than 30% of all Housing Credit apartments are financed with Housing Bonds. HFAs have used the Housing Credit to produce more than 2.5 million rental apartments for families earning 60% of AMI or less. They add another 140,000 Housing Credit apartments every year.

WHAT TO SAY TO LEGISLATORS

As a tax program, Housing Bonds fall under the jurisdiction of the House Committee on Ways and Means and the Senate Committee on Finance. Representative Dave Camp (R-MI), Chair of the House Ways and Means Committee, and Senator Max Baucus (D-MT), Chair of the Senate Finance Committee, have both expressed interest in looking at tax reform this year, which could eliminate Housing Bonds as part of an effort to simplify the tax code.

In addition, the President's National Commission on Fiscal Responsibility and Reform proposed eliminating Private Activity Bonds in its December 2010 report. The President included as an offset in the American Jobs Act and in his deficit reduction plan a proposal to cap the value of income deductions and exemptions for high income taxpayers by limiting the tax value of those deductions and exemptions to 28%. The cap, if enacted, could have a significant negative impact on municipal bond investment, considering that the tax exemption, now worth up to 35% for those taxpayers in the highest tax bracket, would be capped at 28%. The ultimate impact, however, would likely fall not on bond issuers and investors but on the bond programs' ultimate beneficiaries, including homebuyers and renters, who would bear the cost of higher interest rates demanded by investors, according to some municipal analysts.

Advocates should speak with staff in their Members' offices responsible for housing or tax policy and deliver the message that support is needed for housing bonds in any tax reform or deficit reduction proposal.

Specifically, lawmakers should:

- Continue to work with the Administration to encourage its support for Housing Bond programs through Treasury, Fannie Mae, and Freddie Mac.
- Protect Housing Bonds in any tax reform or deficit reduction proposal.
- Increase the MRB home improvement loan limit by an amount at least adequate to reflect the rise in construction costs since it was first established and index it for construction cost inflation annually thereafter.

FOR MORE INFORMATION

National Council of State Housing Agencies • 202-624-7710 • www.ncsha.org

HOUSING CHOICE VOUCHERS

By Linda Couch, Senior Vice President for Policy and Research, National Low Income Housing Coalition

Housing Choice Vouchers help people with the lowest incomes find affordable housing in the private housing market by reimbursing the landlord for the difference between what a household can afford to pay in rent and the rent itself, up to a reasonable amount. The Housing Choice Voucher program is HUD's largest rental assistance program, assisting almost 2 million households; it also serves the lowest income people because of deep income targeting requirements.

In FY13, advocates will seek sufficient resources to renew all vouchers in use as well as identify ways to expand the number of vouchers in use. Advocates will also seek passage of reform legislation, referred to as the Affordable Housing and Self-Sufficiency Improvement Act. Draft versions of this bill were circulated and considered in the House in 2011. This broad bill, in development since at least 2004, is expected to be a focal point for affordable housing policy revisions in 2012.

ADMINISTRATION

The voucher program is administered by HUD's Office of Public and Indian Housing.

HISTORY AND PURPOSE

Federal tenant-based rental assistance was established as part of a major restructuring of federal housing assistance for low income families in 1974. President Richard Nixon supported the creation of the tenant-based Section 8 program as an alternative to the government's involvement in producing affordable multifamily apartments. The program grew incrementally between 1974 and 2002, the first year when no new, incremental vouchers were appropriated.

In FY08, about 15,000 new vouchers were appropriated for special populations, but only after the nation lost more than 150,000 vouchers between FY04 and FY07 due to HUD mismanagement of the program. These new vouchers were the first new vouchers since FY02. Since FY09, Congress has provided very limited funding for new Veterans Affairs Supportive Housing (VASH) vouchers, about 10,000 a year.

PROGRAM SUMMARY

Today, almost two million households have HUD Housing Choice Vouchers, also called Section 8 tenant-based assistance. Housing vouchers are one of the major federal programs intended to bridge the gap between the cost of housing and the incomes of low wage earners and people on limited fixed incomes. The Housing Choice Voucher program provides flexibility and options by issuing vouchers to eligible households to help them pay rent in privately owned apartments of the households' choosing. The average national income of a voucher household is \$12,571.

The housing voucher program has deep income targeting requirements. That is, a majority of its resources must assist extremely poor households. Since 1998, 75% of all new

voucher holders must have extremely low incomes, at or below 30% of the area median income (AMI). The remaining 25% of new vouchers can be distributed to tenants with incomes up to 80% of AMI.

HUD has annual contracts with 2,350 public housing agencies to administer vouchers. Funding provided by Congress is distributed to these agencies by HUD based on the number of vouchers in use in the last year, the cost of vouchers, an increase for inflation as well as other adjustments.

To receive a voucher, residents put their names on local PHA waiting lists. The housing choice voucher program, like all HUD affordable housing programs, is not an entitlement program. Many more people need and qualify for vouchers than actually receive them. The success of the existing voucher program and any expansion of the voucher program because of new vouchers depend on sufficient annual appropriations.

Local agencies distribute vouchers to qualified families who then conduct their own housing searches and identify private apartments with rents within the PHA's rent payment standards. The agency's inspection of the unit must also demonstrate that the unit meets HUD's housing quality standards. The amount of the housing subsidy is capped at a payment standard set by the PHA. A PHA can set its payment standard between 90% and 110% of HUD's Fair Market Rent, the rent in the area for a modest apartment. HUD sets FMRs annually. Nationally, voucher households pay almost \$300 a month for rent, on average.

Generally, voucher-holding tenants pay 30% of their income toward rent. The value of the voucher then makes up the difference between the tenant's rent payment and the housing agency's rent payment standard. After a year in an apartment, a family can choose to pay more than 30% of its income toward rent.

Housing Choice Vouchers

Housing vouchers are portable, meaning families can use them to move nearly anywhere in the country where there is a functioning voucher program; their use is not limited to the jurisdiction of the administering agency. A PHA is permitted to impose some restrictions on portability in the first year if a family did not live in the jurisdiction of the PHA when it applied for assistance. Portability has been restricted or disallowed by some PHAs due to cost constraints of the overall voucher program.

Beginning in 2004, the program went through almost three years of upheaval and poor federal management, which resulted in the loss of more than 150,000 vouchers nationwide.

FUNDING

HUD's FY12 appropriation from Congress provides \$18.91 billion for the voucher program. The bill underfunds the renewal of tenant-based rental assistance contracts, providing \$17.24 billion in FY12. The Center on Budget and Policy Priorities (CBPP) estimates that the FY12 bill short-funds voucher contract renewals by \$93 million. The contract renewal funding falls short of HUD's reported estimate for contract renewals by more than \$130 million. This shortfall could result in the loss of between 12,000 and 24,000 vouchers, according to a 2011 report by CBPP.

The FY12 HUD funding bill also cuts voucher administrative fees by 3% below FY11 and 1% below the President's request. Administrative fees were also cut in FY11, and two years' funding cuts could result in PHAs issuing turned over vouchers at a slower rate. Over time, this could result in the loss of vouchers by attrition.

WHAT ADVOCATES NEED TO KNOW NOW

Affordable Housing and Self-Sufficiency Improvement Act. This draft bill, expected to be formally introduced and acted upon in 2012, would reform many aspects of the voucher program as well as the public housing and project-based Section 8 programs. The bill would make simplifications to the rent-setting processes in the voucher, public housing and project-based Section 8 programs, as well as to the income recertification processes for tenants in these programs. The bill would also streamline how inspections are done in the voucher program, make improvements to the project-basing of vouchers, expand the Moving to Work program and make other reforms. The bill is a reintroduction of long-standing housing reform legislation, in development since at least 2004. The 2012 draft bill is missing key provisions from earlier versions, provisions advocates would like to see return to the bill before enactment. These include addressing voucher renewal funding, portability, rent burdens, management assessments, and the use of vouchers in manufactured housing. The draft House bill also includes a damaging provision that would require minimum monthly rents of \$75 in the voucher, public housing and project-based Section 8 programs. This provision would increase rents for about 500,000 of the very lowest income households in these programs.

New vouchers. For many years, the primary source of increased federal housing assistance for very poor people was new annual appropriations for additional vouchers, called 'incremental' vouchers. Between FY95 and FY98, however, no incremental vouchers were funded. Congress then approved the following incremental vouchers: 50,000 new vouchers for FY99; 60,000 for FY00; 87,000 for FY01; and 26,000 for FY02. Congress approved no new vouchers in FY03, FY04, FY05, FY06 or FY07. In FY08, Congress appropriated funding for 15,000 incremental vouchers; in FY09, for 13,000 new vouchers, and in FY10, FY11 and FY12, for about 10,000 new vouchers in each year, all for VASH, except for a small number for the Family Unification Program in FY09.

Fair Market Rent and the payment standard. Voucher holders are limited to housing that meets HUD housing quality standards and that is owned by landlords willing to enter into a Housing Assistance Payment (HAP) contract with the PHA. Under the voucher program, the subsidy covers the difference between 30% of the tenant's income and the 'payment standard,' which is the total rent and utility costs that the PHA will cover. The PHA has the authority to modify the payment standard to as low as 90% of the Fair Market Rent (FMR) and as high as 110%. Subject to certain limitations, a qualified tenant can rent a unit for any amount of money so long as the PHA finds the rent to be reasonable. A tenant new to the voucher program or moving to a new unit may not rent a unit that would require him or her to pay more than 40% of adjusted monthly income for rent and utilities.

Originally, FMRs were set at the median rent. FMRs were then ratcheted down to the 45th percentile of rents and are now set at the 40th percentile of the value of rental housing in most jurisdictions as determined by HUD. Starting in January 2001, HUD increased the FMRs in some metropolitan areas to the 50th percentile rent due to concerns about the concentration of poverty and low income housing in these areas.

The level at which the FMR is set by HUD is important because the determination of the PHA's payment standard relies on the FMR, so the higher the FMR, the higher the rents that can be covered by a voucher. To set its payment standard outside of the range of 90% to 110% of FMR, the PHA must receive a waiver from HUD to use 'exception payment standards.' A PHA may set payment standards at different percentages of the FMR in different neighborhoods or for units of different bedroom sizes.

The PHA's determination of the payment standard for the voucher program has important implications for housing affordability. As tenants renting units for more than the payment standard pay 30% of their income plus the difference between the payment standard and the actual rent (up to 40% of adjusted income for new and relocating voucher holders), a higher payment standard would mean that fewer families would pay more than 30% of their income. The payment standard proposed by the PHA for the voucher program is

subject to tenant and community review as part of the PHA planning process.

HUD is beginning to explore setting FMRs in a way that reflects local costs in metropolitan or rural areas and to avoid concentration of voucher holders. The goal is to allow vouchers to be used in as wide a range of communities as possible, including low-poverty communities. In 2011, HUD began accepting applications from PHAs to participate in Small Area FMRs, where FMRs would be set by a smaller ZIP code area, rather than on a metropolitan area.

WHAT TO SAY TO LEGISLATORS

The House and Senate should be encouraged to:

- Fully fund all vouchers currently in use.
- Oppose proposals to increase mandatory minimum rents.
- Double the size of the voucher program, from 2 million to 4 million, over the next decade.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

Center on Budget and Policy Priorities • 202-408-1080 • www.cbpp.org

National Housing Law Project • 415-546-7000 • www.nhlp.org

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

Nancy Bernstine, Executive Director, National AIDS Housing Coalition

Housing Opportunities for Persons with AIDS (HOPWA) provides funding to eligible jurisdictions to address the housing needs of persons living with HIV/AIDS and their families.

ADMINISTRATION

HOPWA is administered by the Office of HIV/AIDS Housing (OHH), which is located in the Office of Community Planning and Development at HUD.

HISTORY AND PURPOSE

HOPWA was created in the AIDS Housing Opportunities Act, a part of the Cranston-Gonzales National Affordable Housing Act of 1990, to provide housing assistance and related supportive services for low income persons living with HIV/AIDS and their families.

There remains the perception that the HIV/AIDS epidemic in America is under control, but in reality, AIDS is still an active crisis. According to a 2010 Centers for Disease Control (CDC) report, about 56,000 people became infected with HIV in the past year, which translates to about 40% more cases than originally estimated. The CDC also estimates that there are now 1.1 million people living with HIV/AIDS in the United States, one fourth of whom are unaware they have the virus.

For people struggling with the disabling and impoverishing effects of HIV/AIDS, housing is the cornerstone of health and stability. Maintaining both is essential when managing HIV. For people living with HIV/AIDS, housing is healthcare. It has been estimated that as many as half of all people living with HIV/AIDS will need housing assistance at some point in their illness. For many, short-term assistance with rent, mortgage, or utility costs alone will provide the necessary support to remain healthy and in stable housing. But for others, more intensive supportive services are needed. HOPWA facilitates community efforts in developing comprehensive strategies to address HIV/AIDS housing need.

HOPWA assists communities in devising long-term housing strategies for persons living with HIV/AIDS that prevent them from becoming homeless. As with other chronic conditions that prevent people from finding or maintaining gainful employment, HIV/AIDS can be an impoverishing disease, requiring public subsidies for basic needs, including housing. With improvements in drug therapies and medical care reducing the number of deaths from AIDS, more people are living longer with HIV/AIDS, thus increasing the demand for supportive housing.

PROGRAM SUMMARY

The HOPWA program provides housing assistance and related supportive services for low income persons living with HIV/AIDS and their families, and supports communities in the development of long-term housing strategies for persons living with HIV/AIDS that prevent them from becoming homeless. As a supportive housing program, HOPWA helps ensure that persons living with HIV/AIDS can access and can adhere to necessary medical care and other services.

HOPWA consists of two grant-making programs. 90% of the funds are distributed as formula grants to states and localities, which must serve the metropolitan area in which they are located. The formula is based on population size and the number of people living with HIV/AIDS as confirmed by the CDC. Currently, 125 formula grantees with 135 eligible areas receive three-quarters of available funding based on AIDS surveillance data for their metropolitan areas and areas of states outside of eligible metropolitan areas. In addition, one-quarter of the formula allocation is awarded to metropolitan areas that have a higher-than-average per capita incidence of AIDS. Funds can be used for a wide range of housing, social services, program planning, and development costs. These include, but are not limited to, the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. The National HIV/AIDS Strategy directs HUD to “work with Congress to develop a plan (including seeking statutory changes if necessary) to shift to HIV/AIDS case reporting as a basis for formula grants for HOPWA funding.”

The other 10% of HOPWA funds are distributed through a competitive process to states and localities that do not qualify for a formula allocation, or to states, localities or nonprofit organizations that propose projects of national significance. During FY12, 29 HUD competitive grants were renewed, and for the first time an additional seven Special Projects of National Significance (SPNS) were awarded funding. This funding supports projects that demonstrate model, replicable approaches to providing permanent or transitional housing assistance.

In the competitive program, grantees can distribute funds to projects that provide one or more of the following services: housing information and referral; housing search assistance, shelter or rental assistance; the development or operation of

single room occupancy (SRO) housing and other community-based residences; and technical assistance. HOPWA also provides technical assistance to help support sound management in local programs as well as develop strategies to address HIV/AIDS housing need.

Eligibility for HOPWA assistance is limited to low income individuals with HIV/AIDS and their families. Approximately 91% of the clients assisted through HOPWA funds have family incomes of less than \$1,000 per month. 65% of people living with HIV/AIDS cite stable housing as their second greatest need, exceeded only by health care. Preliminary data from 40 HOPWA grantees, reporting on client outcomes under a new performance measurement format, demonstrates that 94% of clients receiving rental assistance have stabilized their housing.

FUNDING

The HOPWA program is funded at \$332 million for FY12, a reduction of \$2.3 million in funding from FY11 level. This represents at least 384 households in need who will be unable to receive housing assistance this year.

HOPWA is authorized according to the AIDS Housing Opportunity Act (42 U.S.C. 12901) as amended. The HUD appropriation is authorized under annual appropriation acts.

WHAT ADVOCATES NEED TO KNOW NOW

The current economic climate puts the most vulnerable low income people with HIV/AIDS at risk, including those who are multiply diagnosed with substance abuse, mental illness, and other co-infections. For FY13, the National AIDS Housing Coalition (NAHC) requests \$380 million for HOPWA, an increase of \$48 million above the FY12 appropriation. This recommended funding level, while meeting only a fraction of need, would sustain existing programs, permit small program expansions at the local level, and support newly added jurisdictions.

A funding level of \$380 million in FY13 would enable housing assistance and housing-related supportive services for 72,960 households. (HUD was able to extend assistance to an additional 3,000 households with a \$14 million increase received in FY08.) The Senate Appropriations Committee recognized the absence of additional funding for higher rents and other costs associated with inflation in approving a \$10 million increase over the FY10 funding level.

During 2011, \$8.8 million in competitive HOPWA funds were awarded to seven projects which will offer permanent and transitional housing and support services to more than 200 households with individual and families living with HIV/AIDS.

HOPWA remains sorely underfunded relative to the need. HOPWA would need \$1.08 billion to serve all those living with HIV/AIDS in need of housing assistance.

FOR MORE INFORMATION

National AIDS Housing Coalition • 202-377-0333 •
www.nationalaidshousing.org

HOUSING PLUS SERVICES

By Sham Manglik, Policy Analyst, National Low Income Housing Coalition

The term Housing Plus Services was coined by NLIHC and is used to describe permanent affordable housing that incorporates various levels of services provided by trained professionals. Service providers' primary responsibility is caring for tenants, rather than managing a property. NLIHC's Housing Plus Services principles describe the basic philosophy underlying the combination of these two resources, housing and services, for extremely low income people.

HISTORY

The importance of providing services within homes to help tenants continue to live independently is a model that has gained increased attention and recognition in recent years. NLIHC has used the term Housing Plus Services for approximately 10 years.

ISSUE SUMMARY

A range of households can benefit from services to stabilize tenancies or enhance quality of life, including households with members with disabilities, who are elderly, or who are moving into housing after experiencing homelessness. Services can range in intensity from minimal to comprehensive, matching the needs of a household. Common types of services include programs and activities, assistance in accessing community resources, assistance with life skills, case management, and crisis intervention. It is critical that these services, at whatever level provided, be financially linked to the housing units, creating consistency for tenants and guaranteeing services will remain with the housing assistance.

Housing Plus Services units are found in a variety of housing models with an assortment of service offerings. Some public housing agencies (PHAs) provide youth activities, childcare, job training, and transportation assistance. Units serving people with disabilities and integrated into mainstream developments may come with comprehensive case management and in-home health care services. Federally funded service coordinators, whose job is to link residents of HUD-assisted housing to services in the community, represent yet another implementation of the Housing Plus Services concept. Increasingly, even private affordable housing developers collaborate with nonprofit service providers to include a service component in housing.

These models are illustrated in NLIHC's revised services typology based on housing type, target population, role of addressing homelessness, eligibility, service plans, practices and staffing. (See chart on pages 110 - 111.)

As Housing Plus Services programs developed organically, project by project, no common language or generally agreed-upon service definitions exist. This causes communication problems among groups who could be more effective in

both advocacy and service delivery. NLIHC developed two tools to assist in creating a common language and standards for Housing Plus Services models: a set of principles and a typology of programs. The program typology offers a three-tiered framework for defining and implementing Housing Plus Services programs in an effort to find common ground. The NLIHC Housing Plus Services Policy Committee revised the typology chart in 2010 to clarify the service types that may cross multiple categories.

NLIHC Housing Plus Services Principles for Program Design and Implementation:

- Housing is a basic human need, and all people have a right to safe, decent and affordable permanent housing.
- All people are valuable and capable of being valuable residents and valuable community members.
- Housing and services should be integrated to enhance the social and economic well-being of residents and to build healthy communities.
- Residents, owners, property managers and service providers should work as a team in integrated housing and services initiatives.
- Programs should be based on assessment of residents' and community strengths and needs, supported by ongoing monitoring and evaluation.
- Programs should strengthen and expand resident participation to improve the community's capacity to create change.
- Residents' participation in programs should be voluntary, with an emphasis on outreach to the most vulnerable.
- Community development activities should be extended to the neighboring area and residents.
- Assessment, intervention and evaluation should be multi-level, focusing on individual residents, groups and the community.
- Services should maximize the use of existing resources, avoid duplication and expand the economic, social and political resources available to residents.

FUNDING

As there is no single program for creating Housing Plus Services units, this housing has evolved as developers and service providers have learned to cobble together a variety of funding sources. The portfolio of units is varied by type and service level, and is not tracked by HUD or other federal agencies as a single discreet category of housing.

Depending on the population served, housing providers piece funding together through various HUD and Department of Health and Human Services (HHS) sources, Medicaid, Medicare, Temporary Assistance for Needy Families (TANF) funds, state funds and private foundations. Common sources include HUD's self-sufficiency initiative and service coordinator programs, and TANF work and training programs. While the availability of multiple funding sources creates flexibility in program design and targeting, it is often difficult for developers and managers of properties to secure and coordinate a comprehensive and consistent services program. The challenge of coordinating services that are independent of housing funding sources can be a deterrent to developers wishing to offer services within housing. Additionally, the lack of coordination between federal agencies' service funding can lead to inconsistent access to services for households in need.

While HUD allows some of its funding to be dedicated to services to enhance and stabilize tenancies, there is concern among advocates about using limited affordable housing funding for services when other federal agencies could provide those services. Most advocates would prefer that HUD utilize its funds for permanent housing and see services funded by HHS, the U.S. Department of Veterans Affairs (VA), and other sources that have service provision as their primary function. HUD's homeless assistance funds, which provide a significant source of existing services funding, require that 30% of funds be allocated to creating permanent housing, ensuring that housing resources are part of addressing homelessness.

WHAT ADVOCATES NEED TO KNOW NOW

Providing services to households in their housing units can not only enhance quality of life for tenants struggling to maintain independence and improve their lives, but can prevent evictions that result in a person becoming homeless. In the last congressional session, both the House and Senate introduced legislation that proposed using services in housing as a homeless prevention tool. Advocates, the administration and legislators recognize these services as a necessary component in helping many households currently experiencing homelessness end their homelessness. Legislators have significantly increased their focus on providing services in housing for veterans experiencing homelessness. As attention to veteran homelessness increased, so did the understanding that housing with services is a critical component to supporting veterans who lack stable housing situations. In 2010, the VA also introduced a five year plan to end veteran homelessness, which relies heavily on services as a source of support for newly housed veterans. Many of the bills focusing on services as a tool to prevent homelessness that did not pass in the 111th Congress are expected to be reintroduced in the 112th Congress.

WHAT TO SAY TO LEGISLATORS

Advocates should urge legislators to support collaborations between HUD, HHS and other agencies that can provide

services within HUD-funded housing. This will ensure that services dollars are tied to permanent affordable housing units to support stable and self-sufficient tenancies.

Legislators should also know that HUD's homeless assistance grants, self-sufficiency and service coordinator funds are all critical to providing services in housing. Without these funding sources, many households that are currently affordably housed could lose their housing and become homeless.

FOR MORE INFORMATION

National Low Income Housing Coalition •
www.housingplusservices.org

	SERVICE-ENRICHED HOUSING	SUPPORTIVE HOUSING	SPECIAL NEEDS HOUSING
Property Management and Housing Operations Practices			
Marketing, Screening, and Leasing Continued	<ul style="list-style-type: none"> Participation in services is voluntary 	<ul style="list-style-type: none"> Participation in services may be voluntary or a requirement of ongoing tenancy depending on program guidelines. 	<ul style="list-style-type: none"> Participation in services may be voluntary or a requirement of ongoing tenancy depending on program guidelines.
Supportive Services Plans, Practices and Staffing			
Service Provision	<ul style="list-style-type: none"> Service coordination provides access to community based services and crisis intervention. Service coordination includes: <ul style="list-style-type: none"> referrals to community services for childcare, child educational enrichment, youth development, adult educational and vocational activities, financial literacy; as well as organizing of community building activities. Service coordination can be provided through in-house resident services staff or an external agency. 	<ul style="list-style-type: none"> Service plans emphasize: <ul style="list-style-type: none"> case management with community based service referral; meeting lease obligations; accessing non-emergency health care; obtaining public benefits; accessing employment or vocational training; peer support; counseling; life skills training and community building; mental health and substance use crisis intervention; Case management is provided through in-house supportive staff and additional specialized services may be contracted through an external agency. 	<ul style="list-style-type: none"> Services are specialized to the needs of the target tenant population and may include some or all of the resources described for supportive housing. Additional services may include special or interdisciplinary services for the full length of the tenancy. For group homes case management is provided by in-house staff and additional specialized services may be contracted through an external agency; for scattered site units services are provided by one or more external agencies.
Staffing Levels	<ul style="list-style-type: none"> Service coordinator to household ratio ranging from 1:50 to 1:150 depending upon coordination complexity. Service coordinator has only periodic contact with households and primarily in group settings. 	<ul style="list-style-type: none"> Case management to household ratio of 1:10 to 1:25 depending upon service delivery intensity. Service provider staff has daily or frequent one-on-one contact with tenants and assertively engages tenants in available services. 	<ul style="list-style-type: none"> Case management to household ratio of 1:10 to 1:25 depending upon service delivery intensity. Service provider may have daily one-on-one contact with households or may only be on call for periodic assistance. Depending upon need, services may phase out over time.
Staff Qualifications	<ul style="list-style-type: none"> Service coordinators may or may not need advanced degrees. 	<ul style="list-style-type: none"> Case managers often need advanced degrees. Service providers often need clinical training/licensing. Other staff may include peer counselors who have experienced homelessness, mental illness, and/or recovery from addiction. 	<ul style="list-style-type: none"> Varies by disabling condition. Case managers often need advanced degrees. Service providers often need clinical training or licensing.

**National Low Income Housing Coalition
Differentiating Three Models of
Permanent Affordable Rental Housing Plus Services (HPS)**

	SERVICE-ENRICHED HOUSING	SUPPORTIVE HOUSING	SPECIAL NEEDS HOUSING
Overview of Housing Models			
Housing and Service Combination	<ul style="list-style-type: none"> Housing with coordinated access to optional services and community resources for all residents. Services address moderate or temporary housing stability problems or assist households in pursuing social or economic improvement goals. Units are in multi-unit developments <i>Examples include: (1) public housing with a day-time resident services coordinator; (2) a project based development with a service coordinator providing crisis intervention and resource and referral.</i> 	<ul style="list-style-type: none"> Housing with a comprehensive array of intensive and case managed services for all residents. Services address moderate to severe housing stability problems and assist households in integrating into the local community. Units may be in multi-unit developments or in scattered-site settings. <i>Examples include: (1) project-based developments with 24-hour on site staff providing intensive services; (2) scattered site units with access to assertive community treatment (ACT) teams.</i> 	<ul style="list-style-type: none"> Housing where specific types of services are provided on site for specific residents. Services may include independent or assisted living resources or accessibility modifications. Units may be facility-based in group homes, set aside in multi-unit buildings, or individually accessed with tenant-based rental assistance. <i>Examples include: (1) rent-subsidized group homes for people with mental retardation with services for all residents; (2) individual project-based subsidized units within a mainstream building where independent living assistance is available only to residents of these units.</i>
Target Population	<ul style="list-style-type: none"> Low-income families and individuals with low to moderate service needs. 	<ul style="list-style-type: none"> Low-income families and individuals of all ages with moderate to high service needs. 	<ul style="list-style-type: none"> Low-income individuals with disabilities, older adults or youth with specialized needs.
Role in Addressing Homelessness	<ul style="list-style-type: none"> Prevents loss of tenancies by increasing housing stability through access to as needed services and community resources. 	<ul style="list-style-type: none"> Ends homelessness for people with significant housing barriers; prevents loss of tenancies through housing stabilization services. 	<ul style="list-style-type: none"> Prevents loss of tenancies through housing stabilization services.
Property Management and Housing Operations Practices			
Eligibility, Preferences and Priorities	<ul style="list-style-type: none"> Income-based eligibility based on type of housing subsidy, between 0-60% of AMI. May have preferences or priorities for particular populations such as seniors, families or formerly homeless. 	<ul style="list-style-type: none"> Income based eligibility, between 0-30% of AMI. Homeless and formerly homeless households. Based on an evaluation of need for services to maintain tenancy including persons with disabilities or chronic health conditions. 	<ul style="list-style-type: none"> Income based eligibility varies depending upon subsidy or funding requirements. Based on an evaluation of need for specialized services for people with disabilities and other target populations.
Rent Levels	<ul style="list-style-type: none"> Subsidized either based on income so that tenant pays no more than 30% of income or at levels affordable to households at specific AMI levels. 	<ul style="list-style-type: none"> Subsidized based on income so that tenant pays no more than 30% of income. 	<ul style="list-style-type: none"> Subsidized either based on income so that tenant pays no more than 30% of income or according to licensing or funding agreements.
Marketing, Screening, and Leasing	<ul style="list-style-type: none"> Marketed to households with qualifying incomes. Screens out households with significant credit or CORI issues, except when units are set aside for formerly homeless households. Lease agreement provides the same rights and obligations as other renters in the jurisdiction. 	<ul style="list-style-type: none"> Marketed through referral and outreach systems for homeless or recently institutionally discharged persons. Screens in households with high service needs and challenges to obtaining and retaining units. Lease agreement may or may not provide similar rights and obligations as other renters. 	<ul style="list-style-type: none"> Marketed through referral and outreach systems for people with defined "special need," Screens in households with specific types of service needs. Lease agreement may or may not provide similar rights and obligations as other renters, per licensing or funding agreements.

INTERAGENCY COUNCIL ON HOMELESSNESS

By Sham Manglik, Policy Analyst, National Low Income Housing Coalition

The U.S. Interagency Council on Homelessness (ICH) is an independent federal agency that coordinates the homeless policies of 19 federal departments, including HUD, the Department of Health and Human Services (HHS), the Department of Labor (DOL), and the Department of Veterans Affairs (VA). The Secretaries of these 19 agencies constitute the Council, and the four primary agencies, HUD, HHS, DOL, and VA, rotate responsibility for chairing the Council. The ICH's main task is implementing the federal 10-year plan to end homelessness, *Opening Doors*, which was released in the spring of 2010. In addition to coordinating the work of federal agencies on the 10-year plan, the ICH also coordinates with state and local governments on developing and implementing strategies to end homelessness.

HISTORY

The federal government invests tens of billions of dollars in health, education, housing, and other programs serving low income households, including households experiencing homelessness. Historically, these programs have often operated in isolation from one another, from programs in other departments and from mainstream resources, resulting in a less efficient and less effective response to households experiencing homelessness. The connection between the federal administration of these programs and state and local efforts to end homelessness has also lacked accountable coordination.

Created in 1987 through the Stewart B. McKinney Homeless Assistance Act (later renamed the McKinney-Vento Homeless Assistance Act), the ICH became dormant for a number of years and was reestablished in 2002. The current executive director was hired in 2009 along with additional departmental staff.

PROGRAM SUMMARY

The Council's mission is to plan for and oversee the use of federal resources to end homelessness in the United States. The Council is comprised of 19 cabinet secretaries and agency heads and is currently chaired by Department of Health and Human Services Secretary Kathleen Sebelius, who is serving a one-year term. The HUD Secretary chaired the Council for the first year under the new ICH executive director.

Among other roles, the Council is responsible for organizing and supporting local governments in implementation of local 10-year plans to end homelessness, maintaining relationships with every federal agency, communicating with Congress, promoting research and evaluation on ending homelessness, and engaging private sector stakeholders in ending homelessness. The ICH promotes states' establishment and implementation of 10-year plans to end homelessness and provides Regional Coordinators throughout the country to support state and local governments, advocates, providers, and consumers in this work. These state and local plans, begun

during the last administration, are developed by governments in partnership with nonprofit providers, foundations, private businesses, faith-based groups and other important community organizations. The plans can bring attention to the issue of homelessness, focus state and local funds on targeted strategies to reduce the need for shelter by creating housing resources and attract new private investment from foundations and private sector business.

FEDERAL PLAN TO END HOMELESSNESS

The ICH's current main charge is implementing the new federal plan to end homelessness, which established goals and priorities for federal agencies to pursue between FY10 and FY14. The federal agencies responsible for providing leadership in implementing the plan are the departments of Agriculture, Energy, HUD, Labor, Transportation, Veterans Affairs, Health and Human Services, Justice and Treasury, as well as the Office of Management and Budget and the General Services Administration. Additional implementation partners include state housing finance agencies, state health and human services agencies, local housing authorities, developers and service providers.

The Plan's four main goals include:

- Ending chronic homelessness within 5 years.
- Ending homelessness for veterans within 5 years.
- Ending homelessness for families, youth and children within 10 years.
- Establishing a path to end all other types of homelessness.

The plan is organized around five themes: (1) leadership, collaboration and civic engagement; (2) access to stable and affordable housing; (3) economic security; (4) health and stability; and (5) homeless crisis response system. The plan outlines four strategies to provide affordable housing: (1) supporting additional rental subsidies, (2) expanding the supply of affordable rental homes, (3) improving access to housing assistance, and (4) increasing the availability of service-enriched housing.

The plan does not identify the amount of funding or the sources of funding that will be needed to achieve the goals of ending homelessness over the 10-year period.

FUNDING

In FY12 the ICH was funded by Congress at \$3.3 million dollars to support the staffing and initiatives of the Council. The President's FY13 budget includes \$3.6 million for the ICH.

WHAT ADVOCATES NEED TO KNOW NOW

The approach of the new director and staff at ICH in implementing the federal plan includes extensive outreach to advocates working on the local, state and federal levels. Advocates provided input in developing the plan and feedback on the strengths and weaknesses of the plan. ICH has developed quarterly advocates' forums to solicit new items of concern, provide updates on ICH progress on the plan and receive feedback.

The President's FY12 budget proposals included new vouchers targeted to homeless households through the Housing and Services for Homeless Persons Demonstration, which could help achieve some of the goals established in the federal plan. However, the demonstration was not funded in final FY12 HUD appropriations measure. Advocates should continue to promote these proposed voucher demonstration funds in FY13 as a valuable HUD/HHS resource for ending homelessness. If they are included in the final FY13 appropriations measure, monitoring their use to achieve the goals of the new federal plan to end homelessness and evaluating their effectiveness will be an important role for advocates.

Achieving the goals of the new federal plan to end homelessness will require additional funding for HUD programs, including new incremental vouchers and full funding of homeless assistance programs. Advocates should urge HUD and Congress to significantly increase funding for HUD programs to ensure that there are sufficient resources to end homelessness.

FOR MORE INFORMATION

Interagency Council on Homelessness • 202-708-4663 • www.ich.gov

National Alliance to End Homelessness • 202-638-1526 • www.endhomelessness.org

National Coalition for the Homeless • 202-462-4822 • www.nationalhomeless.org

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

LEGACY: LIVING EQUITABLY: GRANDPARENTS AIDING CHILDREN & YOUTH

By Ana Beltran, Special Advisor, Generations United

The LEGACY Act of 2003 – Living Equitably: Grandparents Aiding Children and Youth – is the first federal affordable housing program specifically aimed at ‘grandfamilies,’ or families where the children are being raised by grandparents or relatives other than their parents. LEGACY authorized two recently opened demonstration projects under Section 202 for specially designed housing for grandfamilies with caregivers age 62 or older.

ADMINISTRATION

LEGACY is administered by HUD’s Office of Housing Assistance and Grant Administration.

HISTORY

LEGACY became law as part of the American Dream Downpayment Act of 2003. It was conceived and became law on the heels of several important advancements in affordable housing for grandparents and other relatives and the children they raise. In 1998, GrandFamilies House in Dorchester, MA, opened its doors as the first housing program specifically designed for grandparents raising grandchildren. At the same time, Generations United, the national intergenerational nonprofit membership organization, conducted a national survey and discovered that affordable housing was one of grandfamilies’ most serious concerns.

Although the lack of affordable housing is an issue for many Americans, there are several unique barriers related to grandfamilies’ circumstances. These caregivers frequently take on such responsibilities with no warning whatsoever. They may be living in small apartments that are not suitable for children and that do not satisfy child welfare occupancy requirements. If they live in senior housing, they may be subject to eviction if the children are discovered. Presence of additional children may violate private lease agreements and occupancy standards. Even if their housing is suitable, caregivers may no longer be able to afford that housing after taking on the extra expenses of raising children. If it is not suitable, and the caregivers lack a legal relationship to the children, they are often unable to convince the housing authorities to recognize their need for a larger apartment as a ‘family.’

Data from the U.S. Census Bureau reflect these challenges: more than one in four grandparent caregivers live in overcrowded conditions; more than one in six pay more than half their income on rent; and 60% of qualifying renters are not receiving housing subsidies.¹ Almost 7.8 million children under age 18

live in homes throughout all regions of the country where the householders are grandparents or other relatives, according to the 2010 U.S. Census. This is 10.5% of all children in the country.

For over a decade, Generations United has worked on Capitol Hill to raise awareness about the number of grandfamilies and their housing challenges. In 2000, Generations United collaborated with other organizations to successfully enact a change to the federal HOME Investment Partnerships Program that effectively allows more revenue to housing developments specifically for older grandparents and other relatives raising children. This early work culminated in LEGACY.²

PROGRAM SUMMARY

LEGACY, as enacted, contains three provisions:

- (1) Develop and distribute grants for no less than two and no more than four demonstration projects to create housing for grandparents and other relatives raising children.
- (2) Provide training to HUD personnel on issues facing relatives raising children.
- (3) Work with the U.S. Census Bureau to conduct a national study of the housing needs of grandparents and other relatives raising children, and make recommendations to Congress based on that study.

(1) Demonstration Projects. In December 2008, HUD awarded \$3.9 million in Capital Advance and Project Rental Assistance Contract (PRAC) funds to two Section 202 projects for demonstration projects, one in urban Chicago and the other in rural Tennessee. The Chicago development opened during the fall of 2011 and has 10 units consisting of three and four bedrooms that can serve up to 34 residents. The Smithville, TN development opened in the spring of 2011 and has nine two-bedroom units, plus a manager’s unit, for up to 20 residents.

Both projects provide a range of supportive services on site that are tailored to meet the needs of seniors, children, and the families as a whole. In Chicago, residents have access to after-

¹ Fuller-Thomson, E. & Minkler, M. (2004). Housing issues and realities facing grandparent caregivers who are renters. *The Gerontologist* 43:92-98.

² LEGACY takes its name from the documentary *Legacy*, nominated for an Academy Award in 2000, which tells the compelling story of an inner-city grandmother raising her five grandchildren.

school and summer programs for children; General Educational Development (GED) and English as a Second Language (ESL) courses; a financial education program; health classes and screenings; health care services for seniors; and job education. In Smithville, the Upper Cumberland Development District's Relative Caregiver Program is available. This program provides easy to follow information about the existing resources available to families and fills in gaps where services are not available.

(2) Training. In 2007, HUD, with its subcontractor Generations United, broadcast a three-hour training to HUD's regional and headquarters' staff. In addition to covering LEGACY, the training provided an overview of the affordable housing issues faced by grandparents and other relatives raising children, how other housing programs and supportive services can help these families, and housing developments designed specifically for them.

(3) National Study. After the training, HUD released its *Intergenerational Housing Needs and HUD Program Options Report* to Congress, fulfilling the last requirement of the LEGACY law. That report can be accessed at www.huduser.org/Publications/pdf/intergenerational.pdf

FUNDING

When LEGACY became law in 2003, the legislation authorized \$10 million to accomplish the program's objectives, but because it lacked a specific appropriation, HUD failed to take significant steps to implement it. Generations United worked with Members of Congress, including Senators Mary Landrieu (D-LA) and Debbie Stabenow (D-MI) to obtain funding, and almost two years later, in November 2005, \$4 million was specifically earmarked for its implementation. LEGACY has not received additional earmarked funding. Once the demonstrations have been operational more than a year and their anticipated success is documented, advocates will seek an expansion of the program.

WHAT ADVOCATES NEED TO KNOW NOW

There are no urgent advocacy issues with regards specifically to LEGACY. However, there are existing areas of policy that could be modified to help facilitate grandfamilies' access to affordable housing.

Family composition. Throughout the country, some housing authorities are unlawfully requiring relative caregivers to have legal custody or guardianship of the children in their care in order to qualify as 'families' for assisted housing. This is a serious issue because many relatives lack legal relationships with the children due to a variety of factors, including the costs of legal proceedings and potential disruption of family dynamics.

Housing authorities require legal custody or guardianship to attempt to prevent fraud, like an applicant who misrepresents that he or she is raising children in order to request additional bedrooms. These fraud concerns can be legitimate, but addressing them by requiring legal relationships is not.

Although HUD has not issued specific policy on this issue, federal law is clear. The Fair Housing Act defines 'familial status' to include grandparents and other relatives without legal custody of the children in the second part of its definition: Familial status means one or more individuals (who have not attained the age of 18 years) being domiciled with –

- (1) a parent or another person having legal custody of such individual or individuals; or
- (2) the designee of such parent or other person having custody, with the written permission of such parent or other person.³

HUD includes in its Occupancy Handbook ways to verify family composition that address fraud concerns without requiring legal custody or guardianship:

A. Owners may seek verification of family composition only if the owner has a clear, written policy. Verification is not required.

B. Owners may use a policy to verify family composition to determine whether children reside in the household 50% or more of the time, as well as to determine the appropriate unit size for the family.

C. If an owner determines it necessary to verify family composition, information may be collected from sources listed in Appendix 3.⁴

According to that Appendix, acceptable sources of verification are birth certificates; divorce actions; drivers' licenses; employer records; income tax returns; marriage certificates; school records; social security administration records; social service agency records; support payment records; utility bills; and Veteran Administration records. Basically, documents that show the child is living with the relative.

To explain the policy to local housing actors, local jurisdictions should address legal custody issues in their Public Housing Administrative Plan, Section 8 Administrative Plan, and Consolidated Plan.

Family Unification Program. The Section 8 Family Unification Program (FUP) is another housing opportunity that is underutilized by relative-headed households because of the interpretation of what constitutes a family. FUP provides Section 8 vouchers to families whom the child welfare agency has certified are families and for whom the lack of adequate housing is a primary factor in the imminent placement of the family's children in foster care or in the delay of discharge of a child from foster care to his or her family. Some local housing

³ 42 U.S.C. section 3602(k).

⁴ HUD. (2003). Handbook 4350.3 Rev-1: Occupancy Requirements of Subsidized Multifamily Housing Programs. Washington, D.C.: HUD. pp. 59, 64-65.

Program Facts

- LEGACY has funded two national demonstration programs for grandfamilies, one in rural Tennessee and the other in urban Chicago.
- The two demonstrations have 19 units of two, three, and four bedroom apartments specially designed for grandfamilies, along with supportive services on site.
- Hundreds of HUD headquarters and regional staff were trained on the challenges faced by grandfamilies and housing programs that can assist them. That training can be replicated with other housing actors.
- A first of its kind Report to Congress was released, which documents many of the housing challenges faced by grandfamilies, thereby raising awareness among federal legislators.

authorities qualify grandfamilies as families, whereas others do not. Clarification that this program should allow relatives raising children to use these vouchers would help the program continue to meet its goal of preventing children from entering foster care due to housing conditions.

TIPS FOR LOCAL SUCCESS

At the local level, advocates interested in developing new, specially designed housing for grandfamilies should work to educate both lenders and state and local governments about this still relatively unknown population and their housing needs. Advocates can then help local officials use existing programs to build grandfamily housing.

Education on the issue. Despite advances, many housing officials and advocates remain unfamiliar with the specific needs of this population and the current housing developments serving these families, most notably GrandParent Family Apartments in the South Bronx, NY. That building, the nation's first ground-up development for grandfamilies, has been serving families since 2005 and consists of 50 units of two and three bedrooms with extensive on-site supportive services for all ages.

In order to successfully advocate around the country for an increase in housing specifically for these families, materials need to be developed on the existing housing programs and those funded by LEGACY, so that more programs can be pursued in additional jurisdictions. This housing is difficult to develop in part due to the complex public-private financing required; consequently, the replication materials need to include an extensive discussion on financing. Furthermore, more housing actors, not just HUD staff, need to be trained on grandfamilies and the housing issues they face. The HUD training materials could be used as a basis for that training.

Use of existing programs. LEGACY is a limited program, but existing federal, state, and local housing programs can be tapped or tailored to meet this demand. Once potential funders of grandfamily housing are aware of the needs of these families, they can adjust their funding plans and priorities accordingly. State housing finance agencies will then know to include such projects in Qualified Allocation Plans, thus making proposals competitive for Low Income Housing Tax Credits. Local and state governmental agencies that administer the HOME and Community Development Block Grant programs can include housing for relatives raising children in their yearly Consolidated Plans and Action Plans as priorities or eligible types of housing to be assisted. Lenders who are involved in the Federal Home Loan Banks' Affordable Housing Program (AHP) can include special criteria in their plans for grandfamilies housing. No source of funding will include criteria that encourage housing for grandparents and other relatives raising children unless the funders know about the families.

Specially designed housing. Localities wanting to expand affordable housing opportunities for grandfamilies can contact Generations United and reach out to the existing housing developments for grandfamilies, to benefit from lessons learned including funding ideas.

As examples of the complexity of this housing, here are some policies that need to be considered early in the process when developing housing for these families:

- What will the grandparents and other relatives have to prove concerning their relationship to the children in order to qualify for housing?
- How will residents be transitioned to other housing when youth age out and caregivers are no longer raising them?
- Will the program also be open to aunts and uncles raising children?
- Will birth parents be allowed to reside on the property?
- How will family crises, such as a sickness or death of the grandparent or other relative, be handled?

On-site supportive services are an integral part of these developments, and need to be designed with the age of the residents in mind. From the experience of the existing developments, essential supportive services include case management, support groups for grandparents and other relative caregivers, before and after-school programs for children and youth, and transportation for families.

WHAT TO SAY TO LEGISLATORS

In order to increase affordable housing opportunities for grandparents and other relatives raising children, housing advocates and experts on the issues facing grandparents and other relatives should combine their unique expertise and collaborate in advocacy efforts at the national, state and local levels.

Advocates should speak to federal legislators with the message that LEGACY is the first step in helping support the affordable housing needs of grandparents and other relatives who are stepping forward to raise children. Members of Congress should monitor the success of the two demonstrations and explore ways to expand this program to fund additional sites.

State legislators have also been important champions of grandfamilies housing developments that are not funded through LEGACY in several jurisdictions. In Baton Rouge, LA, for example, a state legislator was instrumental in converting an old nursing home to grandfamilies housing.

When talking with either federal or state lawmakers, share data concerning the numbers of families and their need for affordable housing. Remember that more than 7.8 million children in all regions of the country are living with grandparents or other relatives who are the householders. Numbers specific to each state are available at www.grandfactsheets.org and for each Congressional district, county or city can be found at www.census.gov.

Although the lack of affordable housing is an issue for many Americans, there are several unique barriers related to grandfamilies' particular circumstances:

- Relative caregivers frequently take on caregiving with no warning.
- Many live on fixed incomes and in small apartments that are not suitable for children.
- The homes may not satisfy child welfare occupancy requirements.
- Caregivers may no longer be able to afford housing after taking on extra expenses of raising children.
- If they live in senior housing, they may be subject to eviction if the children are discovered.
- The presence of additional children may violate private lease agreements and occupancy standards.
- If families lack a legal relationship to the children, they are often unable to convince the housing authorities to recognize their need for larger apartments.

U.S. Census Bureau data reflect these challenges:

- More than one in four grandparent caregivers live in overcrowded conditions.
- More than one in six pay more than half their income on rent.
- 60% of qualifying renters are not receiving housing subsidies.

Finally, probably the most fundamental tool in convincing legislators is a constituent's story. A story like that of a woman in Boston, who at age 52 suddenly began raising her three grandchildren in her studio apartment. For eight years they all lived together in the one room. The studio was subsidized, and she was unable to convince the housing authorities to allow her to move to a multi-bedroom apartment, because they did not recognize the children as her family. Her case, while dramatic, is just one of countless that can be found all over the country and shared with lawmakers.

FOR MORE INFORMATION

Generations United • 202-289-3979 • www.gu.org

THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

By Olivia Wein, Staff Attorney, National Consumer Law Center

The Low Income Home Energy Assistance Program (LIHEAP) is a targeted block grant program to help struggling families pay their heating and cooling bills. States have flexibility in setting eligibility criteria, benefit amounts, how much to direct to energy crisis situations where the health of the household is in jeopardy, as well as other program components. As more families struggle to pay their heating bills in the winter and afford air conditioning in the summer due to the high price of energy and the weak economy, the main challenge for LIHEAP is securing adequate annual appropriations.

ADMINISTRATION

LIHEAP is administered by the Office of Community Services, under the Administration for Children and Families at the Department of Health and Human Services.

HISTORY

LIHEAP was created in response to rising energy prices in the 1970s and the decreasing purchasing power of low income households. In 1980, LIHEAP was part of the Crude Oil Windfall Profit Act and since then it has been reauthorized several times, targeting the assistance within the pool of eligible households, adding new program components, and expanding authorization levels for funding.

PROGRAM SUMMARY

The regular LIHEAP is a federal block grant program to the states to help low income families meet the costs of heating and cooling their homes.

LIHEAP is intended to “assist low income households, particularly those with the lowest incomes, that pay a high proportion of household income for home energy, primarily in meeting their home energy needs.” (42 U.S.C. § 8621(a)). States are to target assistance to low income households with the lowest incomes and highest energy needs (i.e., those who pay a large percentage of their income on home energy), and to households with populations vulnerable to extreme heat or cold. These are households with very young children, individuals with disabilities and the frail elderly. The LIHEAP program focuses on ‘home energy,’ which is defined as a source of heating or cooling in residential dwellings.

In order to receive LIHEAP funds, states must submit an application to the Secretary of Health and Human Services. All 50 states, the District of Columbia, numerous tribes and the territories participate in the LIHEAP program. In the majority of states, LIHEAP is administered by the state social services agency. In many states, the state agency contracts with local providers, such as community action agencies, to handle intake.

While states have a great deal of flexibility in designing their programs each year, the vast majority of states’ LIHEAP grants are used to provide bill payment assistance to eligible low income households to help with heating and cooling costs. LIHEAP benefits cover all forms of residential heating or cooling fuels. This includes a range of fuels from natural gas and electricity (for heating or cooling) to home heating oil, propane, kerosene and wood. Assistance can be in the form of a vendor payment or two-party check, or direct assistance to LIHEAP households (for example, to a tenant whose heat is covered in the rent).

States also have the flexibility to set their program’s eligibility criteria in the annual state LIHEAP plan based on income eligibility. The maximum eligibility for LIHEAP is 150% of poverty or 60% of state median income. States are prohibited from setting income eligibility below 110% of the poverty level. States can also rely on participation in another means-tested program to determine eligibility. Low income households are also eligible for LIHEAP through participation in Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), the Supplemental Nutrition Assistance Program (SNAP, also known as food stamps) and certain needs-tested veterans’ benefits.

There are several additional components to LIHEAP:

- *Crisis grants.* Each fiscal year, states must reserve a reasonable amount of their regular LIHEAP block grant until March 15 for individual crisis intervention grants. States have the discretion to define what constitutes a crisis for this component. Common definitions include an imminent shut-off, empty heating fuel tank or broken furnace. The state crisis intervention funds must be made available to a household within 18 hours if the household is in a life-threatening situation, and within 48 hours in other circumstances. The state crisis intervention component is different from the LIHEAP emergency contingency funds that are at the discretion of the President to release.
- *Low-cost weatherization or other home energy-related repairs.* States may use up to 15% of their annual LIHEAP block grant (or 25% with a waiver) for low-cost residential weatherization

or other home energy-related repair. In 32 states, the same agency administers LIHEAP and the Department of Energy's low income weatherization program.

- *Self-Sufficiency.* States can use up to 5% of their block grant to provide services to encourage and enable households to reduce their home energy needs through activities such as needs assessments, counseling, and assistance with energy vendors.

LIHEAP emergency contingency fund. The LIHEAP emergency contingency fund is funded separately from the regular LIHEAP block grant. The President can release LIHEAP emergency contingency funds to help meet low income home energy needs arising from a natural disaster, a significant increase in the cost of home energy, or other emergency.

FUNDING

The Consolidated Appropriations Act of 2012 (P.L. 112-74) includes full-year funding for the Department of Health and Human Services (HHS) along with other government agencies. Under this omnibus appropriations package, LIHEAP is funded at \$3.478 billion. Up to \$3 million may be reserved by the Secretary of HHS for Training and Technical Assistance and monitoring of program activities for compliance with internal controls, policies and procedures. No Emergency Contingency funding is provided in the spending bill.

WHAT ADVOCATES NEED TO KNOW NOW

The final FY12 LIHEAP funding level represents a significant cut from last year's \$4.7 billion, but substantially higher than President Obama's FY12 budget request for LIHEAP. In addition, the final LIHEAP allocation formula for distributing funds to the states represents a compromise between the two Houses of Congress on their respective versions of the FY12 appropriations measure. Advocates should keep in mind that there are no LIHEAP Emergency Contingency Funds appropriated for FY12. There could be Congressional attempts to secure emergency funding to address this shortfall.

According to the National Energy Assistance Director's Association (NEADA), last year (FY11) LIHEAP provided essential energy assistance to 8.9 million households, an increase of 54 percent since 2008. NEADA also reports that the number of veteran households served increased by more than 150 percent during the same period (from about 700,000 in FY08 to 1.78 million in FY11).

The high water mark for LIHEAP was in FY09 and FY10, when LIHEAP was funded at a total of \$5.1 billion: \$4.509 billion through the regular formula and \$590 million through the LIHEAP emergency contingency fund. The authorized funding level for LIHEAP is \$5.1 billion for the regular block grant program and \$600 million in LIHEAP emergency contingency funds.

Program Facts

- LIHEAP is a federal low income assistance program that helps households afford their heating and cooling bills.
- LIHEAP assistance is fuel blind, so it covers the range of energy used for heating and cooling from heating oil and propane to natural gas, electricity and wood.
- The program is block grant-funded and states have flexibility in how they structure the benefits (eligibility criteria, size of the bill payment assistance, amount set aside for crisis assistance to cover furnace repair or address disconnection notices, amount for low-cost weatherization and energy efficiency, etc.)
- LIHEAP is a discretionary program, not an entitlement program, and its funding level is set by Congress in the appropriations process.
- LIHEAP is administered by the Office of Community Services, under the Administration for Children and Families at the Department of Health and Human Services.

TIPS FOR LOCAL SUCCESS

Become involved in the development of your state's annual LIHEAP program. LIHEAP state plans are required to be made available to the public in a manner that facilitates meaningful review and comment, and states are required to hold public hearings on the LIHEAP plan. The plans will set out eligibility criteria and benefit amounts, as well as other aspects of the program, such as the percentage of the state's LIHEAP grant requested in each quarter.

To find your state's LIHEAP office, visit www.acf.hhs.gov/programs/ocs/liheap/grantees/states.html. Please note that some tribes receive their LIHEAP grant directly through the federal agency (as opposed to the state).

Become familiar with the other energy assistance programs and utility consumer protections. In addition to LIHEAP, some states and some utilities have separate low income energy assistance programs (for a list of some of the additional assistance programs see, www.liheap.ncat.org/Supplements/2010/supplement10.htm or contact the consumer protection division of your state utility commission). Some states also have charitable energy assistance funds called fuel funds; check with the National Fuel Funds Network at www.nationalfuelfunds.org.

Advocates should also become familiar with certain utility rules. For utilities regulated by the state utility commission (generally, private investor-owned utilities), the commission website should have a link to rules regarding customer shut-offs (for example, a winter shut-off rule, an extreme

temperature rule, or severe illness shut-off protection rule; rules regarding payment plans; special protections for low income or LIHEAP customers; rules regarding deposits and reconnection fees). Staff in the consumer protection division of the utility commission may be able to help you find the relevant rules. For municipal utilities or cooperatives, the rules will reside with the municipality or the co-op.

Join the LIHEAP Coalition. Supporters of LIHEAP should contact the LIHEAP Coalition to receive action alerts on legislative efforts in Congress to provide additional funding for LIHEAP. See contact information at the end of the article.

WHAT TO SAY TO LEGISLATORS

- LIHEAP is a critical safety-net program to help households afford residential energy.
- There is significant need in my district (provide, for example, the number of clients seeking help with their utility bills, newspaper clips or data regarding the number of households being disconnected).
- The current funding level will not be sufficient to meet the record high levels of applications. At a time of great need, FY12 LIHEAP has been operating with over \$1.5 billion less funding than in years past.
- For three years in a row there have been record high levels of households served by LIHEAP, and this demand is expected to remain high due to the high levels of unemployment and these challenging economic times. Thus, for FY12 and FY13, the regular LIHEAP block grant must be fully funded at \$5.1 billion.

FOR MORE INFORMATION

For advocates seeking more information about LIHEAP program design:

- The LIHEAP Clearinghouse is a wealth of information regarding the various ways states have designed their LIHEAP programs. In addition to LIHEAP, the clearinghouse also tracks states supplemental energy assistance activities (listed as 'State Supplements' in the menu on the homepage). View this at www.liheap.ncat.org.

For those seeking information about advocacy regarding LIHEAP funding:

- The National Energy Assistance Directors' Association's (NEADA) website provides information on LIHEAP funding needs and current funding levels. View this at www.neada.org.
- The National Fuel Funds Network (NFFN) is an organization of utility and human services organizations focused on charitable energy assistance. NFFN also organizes an annual LIHEAP Day on the Hill in the winter. View this at www.nationalfuelfunds.org.
- The LIHEAP Coalition provides email alerts and updates on fast-breaking legislative efforts to increase funding for LIHEAP. The LIHEAP Coalition also coordinates letters to appropriators seeking adequate funding for the program. To be added to the LIHEAP Coalition list, contact Ms. Shirlyon Williams at swilliams@ncl.org. Please indicate in the subject line that you would like to be added to the LIHEAP Coalition email alert list.
- The Campaign for Home Energy Assistance has helpful fact sheets for advocates that describe the need for increased LIHEAP funding. View this at www.liheap.org.

LOW INCOME HOUSING TAX CREDIT

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

The Low Income Housing Tax Credit program (LIHTC) finances the construction, rehabilitation and preservation of housing affordable to lower income households. The LIHTC program encourages private investment by providing a tax credit: a dollar-for-dollar reduction in federal taxes owed on other income. Although housing tax credits are federal, each state has an independent agency (generally called a housing finance agency, or HFA) that decides how to allocate the state's share of federal housing tax credits.

ADMINISTRATION

This program is administered by the Treasury Department's Internal Revenue Service (IRS).

HISTORY

LIHTC was created by the Tax Reform Act of 1986 and is codified at Section 42 of the Internal Revenue Code, 26 U.S.C. 42, so tax credit projects are sometimes referred to as 'Section 42 projects.' The IRS provides additional guidance through revenue rulings, technical advice memorandums, notices, private letter rulings and other means.

PROGRAM SUMMARY

The Low Income Housing Tax Credit program (LIHTC) finances the construction, rehabilitation, and preservation of housing affordable to lower income households. LIHTC can be used to support a variety of projects: multifamily or single-family housing, new construction or rehabilitation, special needs housing for elderly people or people with disabilities and permanent supportive housing for homeless families and individuals.

LIHTC is designed to encourage private individuals and corporations to invest cash in housing affordable to lower income people by providing a tax credit over a 10-year period: a dollar-for-dollar reduction in federal taxes owed on other income. The cash investors put up (called 'equity') is used along with other resources (tax credits are not meant to provide 100% financing) to build new affordable housing or to make substantial repairs to existing affordable housing. The infusion of equity reduces the amount of money a developer has to borrow and pay interest on, thereby reducing the level of rent that needs to be charged.

Although housing tax credits are federal, each state has an independent agency (generally called a housing finance agency, or HFA) that decides how to allocate the state's share of federal housing tax credits. Tax credits are allocated to states based on population. For 2012, each state will receive \$2.20 per capita, with small states receiving a minimum of \$2.525 million.

Each HFA must have a QAP, a 'qualified allocation plan,' which sets out the state's priorities and eligibility criteria for awarding federal tax credits (as well as tax-exempt bonds and any state-

level tax credits) to housing projects. Developers apply to an HFA and compete for tax credit allocations. The law requires that a minimum of 10% of an HFA's total tax credits be set aside for nonprofits.

Once awarded tax credits, a developer then sells them to investors, usually to a group of investors pulled together by someone called a 'syndicator.' Syndicators sometimes pool several tax credit projects together and sell investors shares in the pool. In recent years, with the departure of Fannie Mae and Freddie Mac as LIHTC investors, most investors have been financial institutions that receive Community Reinvestment Act credit for these investments.

The cash (equity) that the investors put up is used by the developer, along with other resources such as conventional mortgages, state loans and funds from the HOME program to construct or substantially rehabilitate affordable housing. A typical LIHTC project has 50%-60% investor equity and 20% mortgage debt, with the remainder in a variety of subsidies and soft financing.

When applying to an HFA for tax credits, a developer has two lower income unit set-aside options, and must stick with the chosen option during a required lower income occupancy period. The two lower income unit set-aside choices are:

- Ensuring that at least 20% of the units are 'rent-restricted' and occupied by households with income below 50% of area median income (AMI).
- Ensuring that at least 40% of the units are 'rent-restricted' and occupied by households with income below 60% AMI.

'Rent-restricted' units have fixed maximum gross rents (including allowance for utilities) that are less than the rent charged to a hypothetical tenant paying 30% of either 50% AMI or 60% AMI, whichever option the developer chose. Tenants pay that fixed maximum tax credit rent even if it is greater than 30% of their income. In other words, the rent a tenant pays is not based on 30% of the tenant's income; rather it is based on 30% of the fixed AMI level (50% or 60%).

Consequently, lower income residents of tax credit projects might be 'rent burdened,' paying more than 30% of their income for rent and utilities. Or, tax credit projects might simply not be financially available to very low and extremely

Low Income Housing Tax Credit

low income people because rents charged are not affordable to them. HUD's tenant-based or project-based vouchers or USDA Rural Development Section 521 Rental Assistance are often needed to fill the gap between 30% of a resident's actual income and the tax credit rent.

Tax credits are available only for rental units that meet one of the above rent-restricted minimums (20/50 or 40/60). With these minimums it is possible for LIHTC projects to have a mix of units occupied by lower income people and moderate and middle income people. These are minimums; projects can have higher percentages of rent-restricted units occupied by lower income people, even 100%. In fact, the more rent-restricted lower income units in a project the greater the amount of tax credits provided. Some HFAs choose to create deeper targeting in order to serve households with even lower incomes.

The law requires units to be rent-restricted and occupied by income-eligible households for at least 15 years (called the 'compliance period'), with an 'extended use period' of at least another 15 years (30 years all together). Some states require low income housing commitments greater than 30 years or provide incentives for projects that voluntarily agree to longer commitments. Where states do not mandate longer restricted-use periods, an owner can submit a request to the HFA to sell a project or convert it to market rate during the 14th year of the 15-year compliance period. The HFA then has one year to find a buyer willing to maintain the rent restrictions for the balance of the 30-year period. If the property cannot be sold to such a 'preservation purchaser,' then the owner's obligation to maintain rent-restricted units is removed and lower income tenants receive enhanced vouchers enabling them to remain in their units for three years.

HFAs must monitor projects for compliance with the income and rent restriction requirements. IRS can recapture tax credits if a project fails to comply, or if there are housing code or fair housing violations.

There are two levels of tax credit, 9% and 4%, formally known as the 'applicable percentages.' Projects can combine 9% and 4% tax credits. For example, buildings can be bought with 4% tax credits and then substantially rehabilitated with 9% tax credits. Instead of 9% and 4%, tax credits are sometimes referred to by the 'net present value' they are intended to yield, either 70% or 30%. This is just another way of saying, in the case of a 9% credit, that the stream of tax credits over the 10-year credit period has a value today equal to 70% of the eligible development costs.

The 9% tax credit is available for new construction and substantial rehabilitation projects that do not have other federal funds.

- Federal funds include loans and bonds with below market-rate interest.
- Rehabilitation is 'substantial' if the greater of an average of \$3,000 is spent on each rent-restricted lower income unit or

10% is spent on the 'eligible basis' during a 24-month period.

The 4% tax credit is available for three types of activities:

- Acquisition of existing buildings (for substantial rehabilitation).
- New construction or substantial rehab rehabilitation subsidized with other federal funds.
- Projects financed with tax-exempt bonds. (Every year, states are allowed to issue a set amount, known as the 'volume cap,' of tax-exempt bonds for a variety of economic development purposes.)

The figures 9% and 4% were only approximate rates. IRS computed actual rates monthly based on Treasury Department interest rates, the 'applicable percentage.' For March 2012, the applicable percentage for a 9% tax credit is 7.43%. For any given project, the real tax credit rate was set the month a binding commitment was made between an HFA and developer, or the month a finished project was first occupied ('placed in service'). This applicable percentage is applied to the 'qualified to determine the investors' tax credit each year for 10 years (the 'credit period'). For 9% projects, the Housing and Economic Recovery Act of 2008 (HERA) established a fixed 9% value for projects placed in service between July 30, 2008 and January 1, 2014.

The amount of tax credit a project can receive, and therefore how much equity it can attract, depends on a several factors. First, the eligible basis must be determined by considering cost such as building acquisition, construction, soil tests, engineering costs and utility hookups. Land acquisition and permanent financing costs are not counted toward the eligible basis, and the eligible basis is usually reduced by the amount of any federal funds. The eligible basis of a project can get a 30% increase (a 'basis boost') if the project is located in a census tract designated by HUD as a low income tract ('Qualified Census Tract,' or QCT) or a high-cost area ('Difficult to Develop Area,' or DDA). HERA expanded the use of this basis boost to areas designated by a state as requiring an increase in the credit amount in order to be financially feasible.

Next, the 'applicable fraction' must be determined. This is a measure of rent-restricted lower income units in a project. There are two possible percentages: the ratio of lower income units to all units (the 'unit fraction'), or the ratio of square feet in the lower income units to the project's total square feet (the 'floor space fraction'). The lowest percentage is the applicable fraction. The applicable fraction agreed to by the developer and IRS at the time a building is first occupied is the minimum that must be maintained during the entire affordability period.

The 'qualified basis' is the eligible basis multiplied by the applicable fraction. The amount of annual tax credits a project can get is the qualified basis multiplied by the tax credit rate (9% or 4%).

FUNDING

The LIHTC is a tax expenditure, which does not require an appropriation. The Joint Committee on Taxation estimates that the program will cost \$5.6 billion in tax expenditures in 2012.

WHAT ADVOCATES NEED TO KNOW NOW

The economic downturn in 2008 and 2009 reduced investment in the LIHTC program considerably and caused many developments to stall for lack of sufficient financing. Investment has been on the increase since 2010.

The main issues of concern for the LIHTC program in the upcoming year are tax reform and deficit reduction. Several advisory commissions have recommended either the elimination of or a substantial reduction in tax expenditures.

The President's budget request for FY13 has four LIHTC proposals. First, as in FY12, a third rent-restricted category (in addition to the 20/50 and 40/60 options) would be available. That option would require at least 40% of the units to be occupied by households with incomes averaging 60% of AMI, allowing LIHTC units to serve households with income up to 80% AMI. Proponents of this provision think it will provide an incentive to include some units targeted to extremely low income households in a project's mix. For purposes of computing the average, the proposal would treat any unit with an income limit below 20% of AMI as if it were at 20% AMI, a feature that would be a disincentive to provide housing for people with Supplemental Security Income (SSI)-level incomes.

The second proposal in the President's FY13 budget, as in FY12, would provide a 30% basis boost to preserve projects that were previously financed with federal funds and have at least half of the basis financed by tax-exempt bonds.

The third proposal would provide protections similar to those in the Violence Against Women Act (VAWA) for both low income and market-rate units. S. 1982 would extend VAWA to LIHTC projects as well as others. The fourth proposal would permit a Real Estate Investment Trust (REIT) to designate as tax exempt some of the dividends it distributes.

Some advocates are seeking to permanently set the 9% credit at that level rather than return to a lower floating rate when the HERA fixed 9% provision expires in 2014. In addition advocates want to establish a fixed rate for 4% credits. H.R. 3661 and S. 1989 have been introduced to achieve these aims.

NLIHC and other advocates are seeking to modify the program to deepen the income targeting and modify the rent structure in order to reduce potential rents burdens on extremely low and very low income tenants.

TIPS FOR LOCAL SUCCESS

Low Income Housing Tax Credits are distributed based on a state's Qualified Allocation Plan. See the QAP chapter for advocacy ideas for influencing how LIHTC is used in your state.

WHAT TO SAY TO LEGISLATORS

LIHTC is an important source of funding for affordable housing. Congress should act to protect the program and provide a means to target more units that are affordable to extremely low income residents paying no more than 30% of their income for rent and utilities.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

Affordable Rental Housing A.C.T.I.O.N. Campaign • <http://rentalhousingaction.org>.

HUD training material about LIHTC at: www.hud.gov/offices/cpd/affordablehousing/training/web/lihtc

HUD's database of LIHTC projects, updated through 2009, is at: www.huduser.org/datasets/lihtc.html

A list of QCTs and DDAs are posted at: www.huduser.org/datasets/qct.html

HUD's HOME Program web site has links to a firm that lists the HFAs in all states at: www.novoco.com/low_income_housing/lihtc/state_agencies.php

MANUFACTURED HOUSING

By Lance George, Senior Research Associate, Housing Assistance Council

Manufactured housing is an important source of housing for millions of Americans, especially those with lower incomes, and in rural areas. Often referred to as mobile homes or trailers, manufactured housing in the United States is a compilation of varied structures, technologies, perceptions and persisting challenges.

ISSUE SUMMARY

There are approximately seven million occupied manufactured homes in the U.S., comprising about 7% of the nation's housing stock. More than half of all manufactured homes are located in rural areas, making this form of housing especially important to rural America. While the demographics of manufactured housing are expanding, households at the lower end of the income spectrum are still the primary residents of manufactured homes. The median annual income of households residing in manufactured housing is \$30,000, nearly 40% less than that of households living in non-manufactured homes.

Modern manufactured homes evolved out of the automobile industry and recreational travel trailers. Today, the term manufactured home encapsulates a broad spectrum of housing styles, systems, and arrangements. The factory-built homes of the 21st century differ substantially from the 'trailers' of the 1960s and 1970s. Regulations and construction standards for manufactured homes have improved markedly over the past few decades, resulting in homes of greater quality, size, and safety. Some new manufactured homes are virtually indistinguishable from conventionally constructed single-family units.

While the physical and structural attributes of manufactured housing have largely improved, important elements related to the sale, finance, appraisal and placement of this type of housing have not progressed as well. Today the majority of manufactured homes are still financed with personal property, or 'chattel,' loans. With shorter terms and higher interest rates, personal property loans are generally less beneficial for the consumer than more conventional mortgage financing. These finance issues are often exacerbated by the sales system commonly used for manufactured homes. Manufactured homes are typically sold at retail sales centers where salespersons or 'dealers' receive commissions. In some cases, dealers resort to high-pressure sales tactics, trapping consumers into unaffordable loans.

These lending and retail practices along with a downturn in the economy have contributed to a decline in sales of new manufactured homes. After experiencing dramatic growth throughout much of the 1990s, sales and shipments of manufactured housing have spiraled downward into a sustained slump. An overextension of credit and risky financing backfired after record high foreclosure rates produced a glut of manufactured units, depressing the market. Placements of new manufactured housing units are at their lowest levels

in decades, and many large manufacturers and retailers have exited the market or declared bankruptcy. (See line chart on page 125.)

In addition to the finance and sale of new homes it is equally important to recognize the existing stock of older manufactured or 'mobile' homes. It is estimated that approximately one fifth of currently occupied manufactured homes were built before 1975. These older units are likely to be smaller, less safe and have fewer amenities and less investment potential than newer manufactured homes. A significant portion of older manufactured and mobile homes are located in community or 'park' settings. Several common concerns faced by tenants of manufactured home communities include excessive rent increases, poor park management and maintenance, restrictive rules and restricted access to municipal services. Another problematic trend is a dramatic increase in the number of manufactured home community closures. Exacerbating the rapid nature of closures are weak legal protections for tenants and prohibitively expensive relocation costs. The combination of these factors is threatening an already vulnerable population residing in one of the few affordable housing resources in this nation.

Manufactured homes are constructed with design features that allow them to be mobile, yet most of these units remain stationary after their initial placement. These design factors, combined with a history of being placed on rented land, have created a pattern of land tenure status that is unique to this form of housing. Ownership of land is an important component to nearly every aspect of manufactured housing, ranging from quality to assets and wealth accumulation. Residents who do not have control over the land on which their home is placed often have reduced legal protection. It is also well-established that ownership of land is at the heart of property values and is essential for potential appreciation of value in manufactured homes.

WHAT ADVOCATES NEED TO KNOW NOW

The HUD code. An important factor in the designation of a manufactured home is whether the unit was built before or after June 15, 1976. This date marked the implementation of the Manufactured Home Construction and Safety Standards Act (42 U.S.C. Sections 5401-5426) regulating the construction of manufactured homes and commonly referred to as the 'HUD code.' HUD developed and administers the code that implements the statute. These federal standards regulate

manufactured housing design and construction, strength and durability, transportability, fire resistance and energy efficiency. The HUD code evolves over time and has undergone several major modifications since 1976.

Manufactured Housing Consensus Committee.

The Manufactured Housing Improvement Act of 2000 established a Consensus Committee to amend, revise and develop manufactured housing safety standards and enforce regulations. The manufactured Housing Consensus Committee (MHCC), appointed by the HUD Secretary, is composed of 21 voting members representing three interest categories with seven representing producers of manufactured housing, seven representing users of manufactured housing, and seven representing other interest groups or public officials. The committee must adopt proposed standards by at least a two-thirds vote; standards adopted are then sent through the conventional federal rule-making process. HUD may adopt standards not adopted by the MHCC, but must send such standards to the MHCC for comment prior to posting in the federal register.

Government funding for affordable manufactured housing. Manufactured housing is largely financed and funded in the private markets. However, there are several existing federal programs that support the development, financing, and rehabilitation of affordable manufactured housing, such as Community Development Block Grants (CDBG), HOME, USDA Rural Development, and Weatherization.

Legislative and regulatory actions. The Dodd-Frank Wall Street Reform and Consumer Protection Act (PL 111-203)

includes several provisions to enhance consumer protections for purchasers of manufactured homes. Dodd-Frank revised the Truth in Lending Act (TILA) to establish specific protections for mortgage loans, origination activities, and high-cost lending. Dodd-Frank also directs the newly created Bureau of Consumer Financial Protection (CFPB) to supervise manufactured housing finance activities.

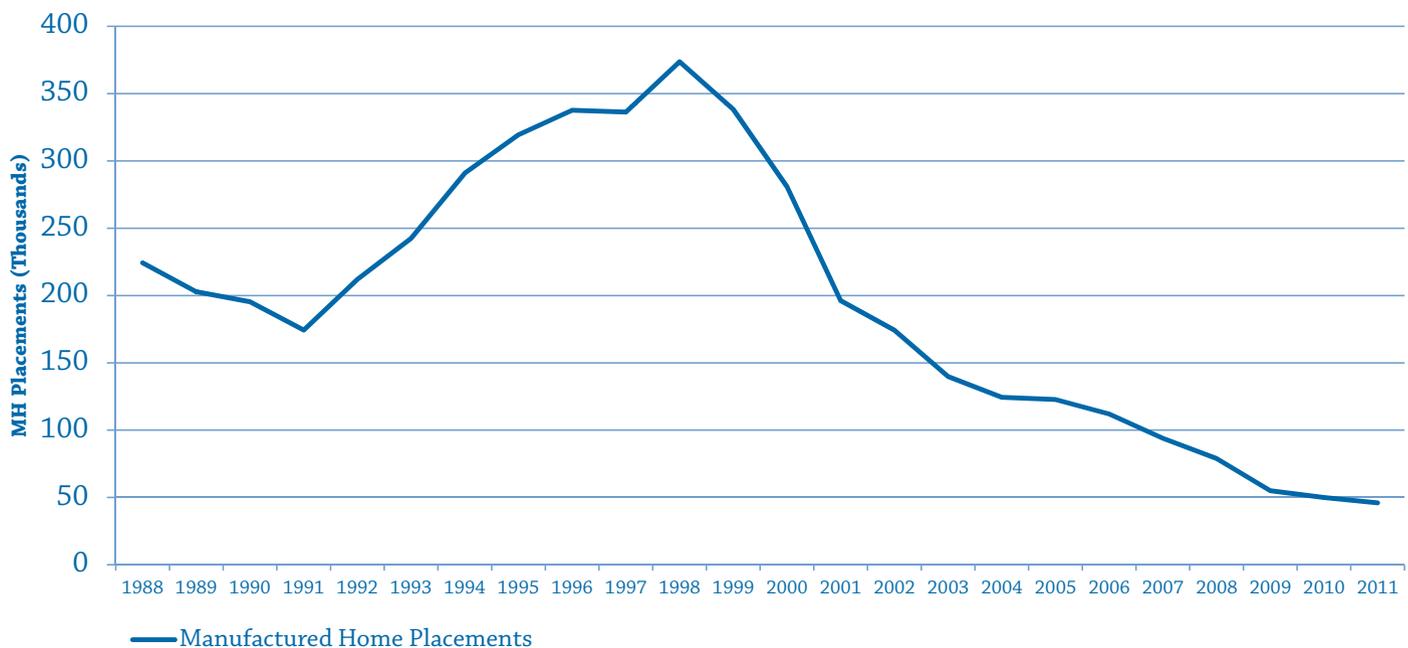
The Housing and Economic Recovery Act of 2008 (HERA) included several provisions important to manufactured housing.

SAFE Act. The Secure and Fair Enforcement of Mortgage Licensing (SAFE) Act was implemented to reduce fraud and improve consumer protections by establishing minimum standards for the licensing of mortgage loan originators.

HUD's Title I Manufactured Home Loan Insurance program. HUD's Title I program insures mortgage loans made by private lending institutions to finance the purchase of a new or used manufactured home. Title I loan limits increased from \$48,000 to \$69,678, and is indexed annually.

Duty to Serve. HERA also required Fannie Mae and Freddie Mac (the GSEs) to meet a "duty to serve underserved markets." Manufactured housing was identified in the act as one of three underserved markets along with rural areas and housing preservation. Under the act, the GSEs were tasked with increasing mortgage investments and improving the distribution of capital available for mortgage financing in these markets. The Federal Housing Finance Agency (FHFA)

New Manufactured Home Placements, 1988 - 2011



Source: HAC Tabulations of Census Bureau Construction Reports

has issued a proposed rule on the duty to serve requirements. Under the proposed rule FHFA will only consider loans for manufactured homes as part of the GSE's duty to serve requirement if the homes are located on real property.

The Energy Independence and Security Act (EISA) of 2007 requires the Department of Energy (DOE) to establish, implement and oversee energy efficiency standards for manufactured housing.

Developing and preserving affordable housing with manufactured homes. At the community level, manufactured housing has often been met with resistance and, at times, vehement opposition. Nevertheless, improvements in the quality of manufactured housing are leading some nonprofit organizations and developers to consider using manufactured housing to create affordable homes. Nationwide, several community-based organizations are utilizing manufactured homes to provide and maintain affordable, sustainable housing while avoiding the pitfalls of traditional dealer-based manufactured housing purchase and finance, and investor ownership of communities.

WHAT TO SAY TO LEGISLATORS

Advocates should speak to lawmakers with the message that:

- Manufactured homeowners should be provided opportunities to obtain standard mortgage lending instead of personal property loans often used to finance this type of housing.
- Borrowers with personal property loans should be afforded consumer protections consistent with real property or standard mortgage loans.
- Legislation should be enacted that limits predatory lending practices involving manufactured homes.
- Policies and programs should be enacted to facilitate manufactured housing community preservation, such as

protection from community sales, closures and rent increases. Residents should be properly notified, and given first right of refusal on the sale of a community.

- Enhanced reporting of manufactured home-specific loans should be required and publicly available through the Home Mortgage Disclosure Act (HMDA). Manufactured home loan records and applications should indicate whether the loan or application was a personal property or real property (mortgage) loan. The inclusion of these updated and enhanced manufactured home data would provide a much more complete assessment of lending activity nationwide, and particularly in rural areas.

FOR MORE INFORMATION

The Housing Assistance Council • 202-824-8600 • www.ruralhome.org/storage/documents/movinghome.pdf

CFED I'M HOME • 202-409-9788 • http://cfed.org/programs/manufactured_housing_initiative/

ROC USA • 603-856-0246 • www.rocusa.org

Consumers Union • 512-477-4431 • www.consumersunion.org/mh/

AARP • 888-687-2277 • http://assets.aarp.org/rgcenter/consume/d18138_housing.pdf

National Consumer Law Center • 202-452-6352 • www.nclc.org/issues/manufactured-housing.html

Manufactured Home Owners Association of America • www.mhooa.us/



Advocacy Story: Using Data to Support Manufactured Housing Advocacy

A number of advances were made for manufactured home owners in Minnesota in the past several legislative sessions. All Parks Alliance for Change (APAC), the association representing the 180,000 individuals living in manufactured home communities across Minnesota, worked with traditional allies such as Legal Services Advocacy Project, Housing Preservation Project, Northcountry Cooperative Foundation, and Minnesota Housing Partnership (MHP) to get a number of changes to state law.

APAC often made use of research data compiled by MHP and released in 2008 in the report "Manufactured Housing in Minnesota: Overview and Policy Changes." For example, in 2008 APAC successfully advocated for modifications to the state's manufactured housing trust fund, a relocation fund to compensate home owners in closing parks, including setting up a funding mechanism that assessed all park owners \$12 for each home in their park and allowed them to recoup the fee by charging home owners. This ensured that the trust fund would be well-capitalized and available to home owners.

Chip Halbach, Minnesota Housing Partnership, and Dave Anderson, All Parks Alliance for Change

McKINNEY-VENTO HOMELESS ASSISTANCE PROGRAMS

By Steve Berg, Vice President for Programs and Policy, National Alliance to End Homelessness

The McKinney-Vento homeless assistance programs refer to a set of federal programs created by the McKinney-Vento Homeless Assistance Act, including two programs administered by HUD. In 2009, Congress passed the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH), which significantly improves HUD's McKinney-Vento homeless assistance programs.

ADMINISTRATION

The program is administered by HUD's Office of Community Planning and Development.

HISTORY AND PURPOSE

Congress enacted the Stewart B. McKinney Homeless Assistance Act in 1987 in response to the homelessness crisis that had emerged in the 1980s. In 2000, the act was renamed the McKinney-Vento Homeless Assistance Act. After a decade of disagreement about reauthorization of these programs, Congress finally passed the HEARTH act in May 2009. HUD is charged with developing regulations. The HEARTH act, by its own terms, was to have gone into effect in FY11, but HUD delayed this by one year. In 2009 Congress also included in economic recovery legislation \$1.5 billion for the Homelessness Prevention and Rapid Re-Housing Program (HPRP), providing funding to virtually all states and larger communities to attempt to prevent a recession-related increase in homelessness. HPRP has all been spent in many communities, and it expires everywhere in late summer or early fall of 2012.

PROGRAM SUMMARY

HUD's McKinney-Vento programs provide outreach, shelter, transitional housing, supportive services, and permanent housing for people experiencing homelessness. Funding is distributed both by formula to jurisdictions through the Emergency Solutions Grants (ESG) program, and competitively through the Continuum of Care (CoC) process.

ESG program. Prior to implementation of the HEARTH act, approximately 10% of funds have been allocated for the Emergency Shelter Grant (ESG) program, which provided resources for renovation and operation of emergency shelters and related services. ESG is granted by formula to city, county, and state governments. The HEARTH act renames and expands the program, but retains the formula structure.

Under HEARTH, the program is called the Emergency Solutions Grant program, retaining the ESG acronym. The amount of funding provided for ESG would increase to 20% of HUD's homeless assistance grants, although if overall funding levels are insufficient to meet that allocation and

fund all existing CoC grants, then HUD is allowed to allocate less to ESG. Emergency shelter and related services would continue to be eligible activities. In FY 2011 and 2012, and in the FY 2013 budget request, overall funding levels and HUD's estimate of renewals means that less than 20% will go to ESG. Under HEARTH, new homelessness prevention and re-housing activities similar to those provided by HPRP would be added. Prevention and re-housing activities include short or medium term rental assistance, utility assistance, housing search assistance, and other activities that are effective at preventing homelessness or helping people move into stable housing. People would be eligible for prevention or re-housing assistance if they are homeless or at risk of homelessness. Being at risk of homelessness means an individual or family has income below 30% of area median income and are losing their housing, doubled up, living in motels, or in other precarious housing situations.

Continuum of Care program. Prior to the HEARTH act, there were three competitive programs, although they were combined in one competition:

- (1) *The Supportive Housing program*, which funded transitional housing, permanent supportive housing, and supportive services.
- (2) *The Shelter Plus Care program*, which funded rental assistance in permanent supportive housing for homeless people with disabilities.
- (3) *The Moderate Rehabilitation/Single Room Occupancy (SRO) program*, which funded operating assistance in SRO buildings.

A unique feature of HUD's competitive homeless assistance programs, which will continue under the HEARTH act, is the application process. Applicants in a community, including local governments, nonprofit providers, advocates, homeless people and other stakeholders organize into a Continuum of Care and submit a joint application to HUD for all of their project requests. The entire application is scored, and specific projects are funded in the order that they are prioritized in the application.

The HEARTH act combines these three programs into a single Continuum of Care program that includes all of the same eligible activities as the previous programs. The entity that submits the application for funding is known as a

Collaborative Applicant. Changes made by the HEARTH act to the competitive programs include the following:

- The selection criteria includes performance measures for reducing the duration of homelessness, reducing the number of people who become homeless, and reducing the number of people who re-experience homelessness after they exit.
- Incentives include creating new permanent supportive housing for individuals and families experiencing chronic homelessness, and rapid re-housing for homeless families with children.
- The match is simplified to 25% for all activities and is applied collectively to the entire Continuum of Care projects in a community rather than project by project. Leasing projects will continue to have no match requirement.
- Renewals of permanent housing activities are funded non-competitively, meaning that if a permanent housing project is meeting standards and is still desired by the Continuum, it will automatically receive funding.
- A new rural program is created that would provide rural areas with more flexibility and also increase funding to rural areas.
- More funding is available for administrative costs. For Continuum of Care projects, up to 10% is allowed, and 3% is allowed for the Collaborative Applicant.

HUD has begun to release regulations on the HEARTH Act, including those related to ESG, and to the definition of 'homeless' (which determines eligibility for the CoC). Detailed regulations on all other aspects of the CoC, however, have not yet been released, so more detailed information about many of these issues is still forthcoming.

In addition to HUD's homeless assistance grants, several other programs are authorized by the McKinney-Vento act:

- Education for Homeless Children and Youth (EHCY), which provides grants to schools to aid in the identification of homeless children and services to help them succeed in school; EHCY also requires that schools make a number of accommodations to improve the stability of homeless children's education.
- Title V Surplus Properties, which requires that federal surplus property be offered to nonprofit organizations for the purpose of assisting homeless people.
- The Interagency Council on Homelessness, which coordinates the federal response to homelessness and is charged with creating a federal plan to end homelessness.

FUNDING

The McKinney-Vento homeless assistance programs received \$1.865 billion for FY10, and \$1.901 billion for both FY11 and FY12. For FY13, the Administration proposed a \$330 million increase to \$2.231 billion. This amount would renew existing grants under the Continuum of Care; provide \$286 million for ESG, the same amount as HUD actually released for FY 2012; and provide a modest amount for new CoC projects, including under the new rural provisions in the HEARTH act.

WHAT ADVOCATES NEED TO KNOW NOW

In recent years, HUD's homeless assistance programs had helped communities reduce homelessness. The economic recovery legislation passed in 2009 included an extra \$1.5 billion for homelessness prevention and rapid re-housing, which helped the country prevent a recession-related increase in homelessness. That money, however, has run out in many communities and will expire everywhere later this year. Given continued weakness in the economy, strong funding for the HUD homelessness programs are necessary to avoid increases in homelessness at that point.

TIPS FOR LOCAL SUCCESS

The best way to maximize the impact of McKinney-Vento funding in your community is to participate in your local ten-year plan to end homelessness and Continuum of Care process.

WHAT TO SAY TO LEGISLATORS

Advocates should ask their Members of Congress to support the Administration's proposed funding level of \$2.231 billion to deal with continuing effects of high unemployment. Specifically, advocates should communicate the following points:

- Many thousand of hard-working American families, veterans, and people with disabilities are being left newly homeless by the continuing effects of the recession. Communities have been dealing with these effects with HPRP, but that will run out this year. The HEARTH act provides exactly what is needed to give homeless or near-homeless people the hand up they need, but only if it is fully funded.
- An increase in funding is needed because of the changes made by the HEARTH act, made with strong bipartisan support, particularly the increased focus on preventing homelessness and serving people who living in precarious situations like doubling up.
- HUD's McKinney-Vento programs work. They helped reduce homelessness by 17% between 2005 and 2011.

FOR MORE INFORMATION

National Alliance to End Homelessness • 202-638-1526 • www.endhomelessness.org

Corporation for Supportive Housing • 212-986-2966 • www.csh.org

MORTGAGE INTEREST DEDUCTION & OTHER TAX BENEFITS FOR HOMEOWNERS

By Sheila Crowley, President and CEO, National Low Income Housing Coalition

The federal government subsidizes homeownership through the tax code with four tax benefits that the Office of Management and Budget projects will cost \$198 billion in 2013 and \$1.25 trillion over the next five years. The cost of these tax breaks in one year is four times the cost of all HUD programs and the Low Income Housing Tax Credit program combined.

The most expensive federal housing subsidy by far is the Mortgage Interest Tax Deduction (MID), which will cost \$100 billion in 2013. Homeowners can deduct the interest paid on mortgages on first and second homes up to a total of \$1 million and the interest on up to an additional \$100,000 in home equity loans. It is a regressive tax because its benefits disproportionately accrue to higher income people.

The MID has come under increased scrutiny in recent years due to its excessive cost and regressive nature. Numerous commissions and others have called for its reform, primarily as a means to reduce the federal deficit. However, the MID remains very popular with voters, most of whom do not see it as a government subsidy. Moreover, the mortgage interest is staunchly defended by the housing lobby, the National Association of Home Builders and the National Association of Realtors in particular.

The National Low Income Housing Coalition has long objected to skewed distribution of federal housing subsidies through which the housing needs of low income households are neglected while higher income people are enriched. NLIHC supports reforming the MID by lowering the size of mortgage that can be subsidized to no more than \$500,000 on a primary home only, and converting the deduction to a 15% non-refundable tax credit. These changes would redirect the subsidy to benefit many more low and moderate income homeowners and save about \$30 billion a year, which could be used to fund the National Housing Trust Fund.

HISTORY

A common misperception is that the housing benefits in the tax code were created for the purpose of promoting home ownership. Actually, the mortgage interest deduction originated in 1913 with the passage of the 16th Amendment to the U.S. Constitution, which established the federal income tax. The law implementing the federal income tax allowed all interest paid, whether business or personal, to be deducted. Most people were not homeowners then and fewer people borrowed money to buy a home.

Claims of the MID grew with the federal programs promoting homeownership that were part of the New Deal and the GI Bill. These programs not only provided federal guarantees for loans to eligible recipients, they set the stage for the rapid expansion of the 30 year fixed rate mortgage as the standard for American homeownership.

Major federal tax reform took place in 1986, when all tax breaks were under examination. Although the deduction for other consumer interest was eliminated, the deduction for interest on home mortgages survived. In subsequent legislation in 1987, the \$1 million cap was imposed along with the allowance to deduct \$100,000 in interest on home equity loans.

PROGRAM SUMMARY

The MID and the other homeowner tax benefits are included in the part of the federal budget known as tax expenditures. There are 173 tax expenditures in 2012 that cost \$1.1 trillion. They are tax breaks for corporations and individuals that have been enacted into law over the years. They all subsidize some activity that an interest group or politician has determined to be worthy of government support. Each could achieve the same objection if it were structured as direct spending and most analysts see them as spending by another name. However, others see them as government letting people keep their own money. Under any circumstances, tax expenditures amount to over a trillion dollars in uncollected federal taxes this year at the same time that the federal deficit is projected to be \$1.3 trillion and direct spending for low income housing is being cut.

Mortgage Interest Deduction & Other Tax Benefits for Homeowners

The tax expenditures for homeownership are projected to be 18% of the 2013 total tax expenditures and will be 19% of the 2013-2017 total. Together, they provide the largest subsidy to any single activity in the tax code. They are:

Home ownership tax break	Cost in 2012	Cost for 2013-2017
Deduction of mortgage interest	\$100,910,000,000	\$606,420,000,000
Deduction of state and local property taxes	\$22,320,000,000	\$140,630,000,000
Exclusion for capital gains	\$23,440,000,000	\$171,110,000,000
Exclusion of new imputed rental income	\$51,080,000,000	\$337,380,000,000
Total	\$197,750,000,000	\$1,255,540,000,000

Source: OMB, Budget of the United States, BV2012

While each of the home owner tax subsidies has its critics (the exclusion of imputed rent most particularly), it is the MID that is typically targeted for reform.

Who benefits from the MID? According to an analysis done for NLIHC by the Tax Policy Center, just 22% of all taxpayers in 2015 will benefit from the MID. While 42% of all taxpayers will pay interest on their mortgages, only slightly over half of those paying interest (54%) will claim the MID. This is because the benefit is a tax deduction and a household without sufficient income to itemize deductions cannot claim the MID. The current structure of the MID excludes almost half of current homeowners from getting any benefit from the deduction, particularly in affordable home price ranges and particularly among low and moderate income working families. Further, taxpayers in higher tax brackets can deduct a higher percentage of the interest they pay than taxpayers in lower tax brackets.

When the data are broken down by income, the regressive nature of the MID becomes more apparent. Taxpayers with incomes below \$100,000 make up 80% of all taxpayers, but are only 47% of those who claim the MID and receive just 23% of the total MID benefit. By contrast, taxpayers with incomes over \$200,000, who are just 6% of all taxpayers, make up 15% of those who claim the MID and receive 34% of the benefit.

WHAT ADVOCATES NEED TO KNOW

Compared to the home owner subsidies, tax expenditures that subsidize rental housing are quite modest. The low income housing tax credit will cost \$7.3 billion and the exclusion of interest on rental housing bonds will cost \$1.2 billion for 2013 for a total of \$8.5 billion. This type of skewed housing tax policy contributed to the housing crisis of recent years by disproportionately encouraging homeownership and neglecting affordable rental housing.

In addition to being expensive and regressive, the MID has also contributed to increasing the cost of homeownership by 10-15%, because it has been capitalized into the cost of housing. So although low and moderate income homeowners do not benefit from the MID as much as higher income homeowners, they paid for it in higher home purchase costs.

Defenders of the MID assert that it incentivizes home ownership, which has traditionally been considered a high priority for public policy. However, if policy makers want to incentive first time home buying by low and moderate income households who are the least likely to benefit from the MID, there are more efficient and effective ways to do so. The MID does not incentivize higher income home buyers, because they are likely to become homeowners with or without a tax incentive. What the MID does incentive is buying bigger, more expensive, and multiple houses. While people who have the means to buy bigger, more expensive, and more than one house have every right to do so, there is no good policy justification for the federal government to subsidize these choices.

MID reform is an idea whose time has come. NLIHC does not advocate eliminating the MID, but instead offers a modest reform that would subsidize many more low income and moderate income homeowners than benefit from the MID now.

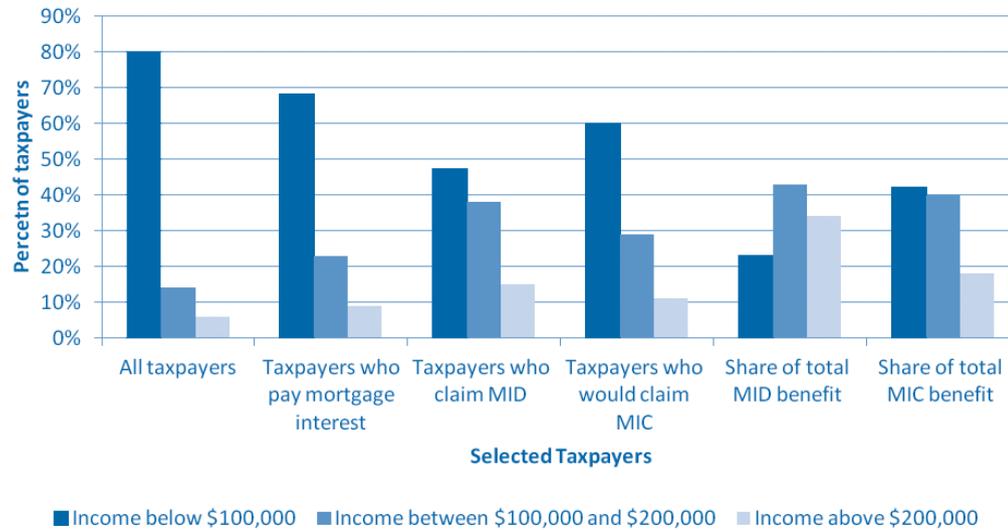
- First, lower the cap on the size of a mortgage for which a tax break could be claimed to \$500,000. Only 4% of mortgages made in the last ten years were for \$500,000 or more.
- Second, eliminate the tax break for second homes and home equity loans.
- Third, convert the deduction to a 15% non-refundable tax credit.
- Fourth, the most prudent approach to reform, given the current state of the housing market, is to phase in these changes over time.

These changes would increase the number of homeowners with mortgages who would get a tax break from 37.5 million to 52.2 million; 95% of the expansion would be taxpayers with incomes below \$100,000. Under this proposal, the percentage of taxpayers with incomes under \$100,000 who would get a mortgage interest benefit would increase from 47% to 60% and their share of the total mortgage interest benefit would increase from 23% to 42%. Not only would this change make this element of the tax code

fairer and more progressive, it would direct this federal housing subsidy to those households who need it the most.

Graph 1 shows the income distribution of the MID and the income distribution of NLIHC’s reform proposal labeled MIC (mortgage interest credit.)

Graph 1: Mortgage Interest Paid, Mortgage Interest Deduction (MID) Benefit and Mortgage Interest Credit (MIC) Benefit under NLIHC Proposed Reform, by Income



Source: NLIHC calculations based on Urban-Brookings Tax Policy Center microsimulations with current policy baseline for calendar year 2015.

If Congress enacted these reforms, they would yield approximately \$30 billion a year in increased revenue to the federal government. NLIHC advocates that this new revenue be directed to the National Housing Trust Fund. A total of \$300 billion in the NHTF over a period of years is what it would take to end the shortage of housing that extremely low income renters can afford, and certainly would end homelessness in the United States.

WHAT TO SAY TO LEGISLATORS

Advocates should inform policy makers that you support reform of the MID, and that you want the savings to stay in housing and to benefit extremely income people.

Remind policy makers that:

- The MID is a housing subsidy that disproportionately benefits higher income homeowners and is an ineffective way to encourage homeownership.
- The MID distorts housing markets and encourages Americans to take on housing debt, rather than saving or investing in other parts of the economy.
- Reform proposals would help lower taxes for most low and moderate income homeowners.
- Funding generated from MID reform should remain in housing, and not be diverted to other uses. Specifically, it should be used to fund the National Housing Trust Fund and end homelessness.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

Tax Policy Center (*Search under Mortgage Interest Deduction*) • http://taxpolicycenter.org/taxtopics/Tax_Expenditures.cfm

Office of Management and Budget (*Look under Supplemental Materials, Tax Expenditures*) • www.whitehouse.gov/omb/budget.

MOVING TO WORK DEMONSTRATION PROGRAM

By Linda Couch, Senior Vice President for Policy and Research, National Low Income Housing Coalition

Moving to Work (MTW) is a HUD public housing agency (PHA) demonstration program that provides PHAs with enormous flexibility from most HUD statutory and regulatory requirements. The flexibilities, in key programmatic underpinnings like rent affordability and income targeting requirements, can impact residents in both the public housing and Housing Choice Voucher programs. Authorized in 1996, the program continues even though it has not been evaluated on a broad scale. While some underfunded PHAs are desperate for flexibility from HUD rules, NLIHC and others contend that the MTW demonstration may be resulting in more harm than good for extremely low income people in the public housing program and the housing voucher programs.

Legislation to expand the number of PHAs that participate in MTW has been introduced in the 112th Congress, and additional legislation, within the draft Affordable Housing and Self-Sufficiency Improvement Act, is expected to be formally introduced and acted upon in 2012 in the House.

ADMINISTRATION

MTW is administered by HUD's Office of Public and Indian Housing.

HISTORY AND PURPOSE

The Moving to Work demonstration program was initially created in a 1996 appropriations act. The act authorized 30 PHAs to participate in the demonstration.

Since 1996, various HUD appropriations bills have authorized additional housing authorities to participate in this demonstration program. Meanwhile, some demonstrations ran their course and ended. As of early 2012, 37 potential PHAs will have MTW status, including six that were given MTW status in the FY10 and FY11 HUD appropriations bills.

Expanding the Moving to Work program to additional public housing agencies has long been a point of contention in a broader authorizing bill, which was referred to as the Section 8 Voucher Reform Act, then the Section 8 Savings Act. It is not a point of contention in the draft Affordable Housing and Self-Sufficiency Improvement Act.

PROGRAM SUMMARY

As stated in Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, the program's authorizing statute, the purpose of the MTW demonstration is to give PHAs and HUD the flexibility to design and test various approaches for providing and administering housing assistance that:

- (1) Reduce cost and achieve greater cost-effectiveness in federal expenditures.
- (2) Give incentives to families with children in which the head of household is working, is seeking work or is preparing for

work by participating in job training, educational programs or programs that assist people to obtain employment and become economically self-sufficient.

- (3) Increase housing choices for low income families.

To achieve these goals, PHAs selected for MTW demonstration sites could receive waivers from most of the existing statutes and regulations governing the public housing and Section 8 voucher programs and gain the ability to combine public housing capital and operating funds with voucher funds. PHAs participating in MTW can change rent rules and income targeting requirements, impose work requirements and time limits, merge public housing funds with voucher funds, change how they use project-based vouchers and alter their reporting to HUD, among many other functions.

MTW in the draft Affordable Housing and Self-Sufficiency Improvement Act. This draft legislation, circulated by House majority staff, would expand the MTW program to potentially every PHA with few improvements to protections or evaluation. Because the overall bill is at risk of not moving forward without agreement on how MTW could be expanded, negotiations in early 2012 are focused on resolving key differences on the scope of any MTW expansion, parameters to ensure protections for residents, and appropriate evaluation components to ensure understanding of the impact of various policies.

NLIHC's position on the MTW program is that there should not be any extension of current MTW demonstrations unless and until additional resident protections are incorporated, the current MTW programs are evaluated and the lessons learned are incorporated into any proposal for expanding the demonstration program.

NLIHC strongly opposes flexibility from existing rent affordability structures and income targeting guidelines.

FUNDING

There is no funding specifically for the MTW program. Under MTW, PHAs receive funding equal to what they would have received had they not participated in MTW. However, one critique of MTW is that because it allows fungibility between voucher and public housing funding, voucher funding has been diverted from serving voucher households, while at the same time no new public housing residents are served.

The serious lack of sufficient funding for public housing is likely one of the reasons some PHAs advocate for the MTW program. Advocates must be committed to identifying and advocating for new resources and new ideas to ensure that public housing and vouchers remain an affordable housing option for the lowest income households. Deregulating public housing and vouchers through the MTW program will not preserve these units as affordable for the lowest income groups.

WHAT ADVOCATES NEED TO KNOW NOW

In 2005, the HUD Inspector General found that HUD did not design the MTW program to collect any data. Instead, HUD relied on its existing systems to collect data. But, the report says, “the existing system could not accept tenant information and was not adapted in time to support the interim evaluation and, as a result, HUD was not able to collect tenant information needed to measure interim program impact on costs, family self-sufficiency, and housing choices as planned.”

Further, the report found that “HUD’s evaluation could not cite (1) statistics showing MTW demonstration activities could be considered models for reducing costs and achieving greater cost-effectiveness, promoting resident employment and self-sufficiency, and increasing choice for low income households, and (2) comparative analyses intended to show the impact of program activities and importance of individual policy changes. We recommend the Office of Public Housing Investments develop a means to collect performance information needed to evaluate Public Housing/Section 8 Moving to Work Demonstration housing authority accomplishments and determine whether any replicable models exist.” Given the lack of proof that the program is accomplishing any of its goals, expansion of the program seems ill-considered.

Several other HUD Inspector General reports have also been extremely critical of MTW implementation by specific public housing agencies:

- The Housing Authority of the City of Baltimore was found to have received MTW status even though it applied 31 months after the deadline with an incomplete application that lacked the required public comment period and public hearing. Further, in granting the application, HUD disregarded Baltimore’s status as a troubled agency from 2001 to 2003 and, under the Section 8 Management Assessment Program (SEMAP), in 2004.

- The Housing Authority of the City of Pittsburgh was found to have stockpiled more than \$81.4 million of HUD funding during the first four years of its MTW status, all completely legally under MTW rules. Meanwhile, the housing agency did nothing to modernize its 6,700 public housing units, and it failed to serve 3,000 families waiting for vouchers. According to the HUD Inspector General, “The relaxation of requirements under Moving to Work allowed the Authority to plan and execute a minimal modernization plan without penalty.” Pittsburgh Real Estate Assessment Center (REAC) scores were extremely low: In 2003, 16 of 44 developments (36%) had physical inspection scores below 70 (out of 100).
- In Philadelphia, the housing authority’s participation in MTW was criticized because HUD accepted this agency into the MTW program without carefully evaluating its past poor performance in utilizing housing vouchers. A previous HUD Inspector General report on the Philadelphia Housing Authority found very low voucher utilization rates there: In 1999 the agency had an 87.2% utilization rate; it declined to 84.6% in 2000, 77.8% in 2001, and 76.8% in 2002. The PHA submitted its application for MTW in 2000 and it was approved in 2002. Despite PHA’s poor performance, no restrictions were placed on it in the MTW agreement.

In a June 2004 report on the MTW program prepared for HUD, the Urban Institute concluded that three key aspects of the design and implementation of MTW have limited its ability to inform public housing policy going forward:

- (1) The MTW framework put limitations on what could be deregulated and for how long. These restrictions could have discouraged PHAs from implementing reforms that might otherwise have been implemented if MTW had been permanently authorized, rather than being a time-limited demonstration.
- (2) MTW was not designed as a rigorous research demonstration.
- (3) Due to HUD’s systems, critical data on the characteristics of public housing residents and Section 8 households have not been collected from the demonstration sites in a consistent and uniform fashion. This leaves much of what we know about MTW’s impacts to anecdotes and piecemeal information gathering.

The Urban Institute report also found that there is no way to determine with certainty whether individual programs have achieved the goal of work and self-sufficiency. In addition, while some housing agencies have expanded housing options for low income people, others have restricted it. There has been no mechanism in MTW’s history to move forward with what has worked within MTW to improve affordable housing options for the lowest income households and improve the physical and financial health of the housing agency and, critically, leave behind what in MTW agreements has harmed residents and housing agencies.

An August 2010 report to Congress by HUD on the MTW program called for an expansion of MTW. Heralded by many

Moving to Work Demonstration Program

PHAs, the report was roundly criticized by other housing advocates for lacking any rigorous or complete data analysis and instead relying on accounts provided by MTW sites themselves.

NLIHC's concerns about MTW are focused on the ability of the voucher and public housing programs to continue to address the housing needs of their targeted populations in ways that are affordable to each household and that continue to provide residents choice. NLIHC does not believe that work requirements, self-sufficiency contracts, and time limits should be allowed in federal housing safety net programs. Rent policies that increase rents beyond a household's affordability level are tantamount to time limits.

NLIHC's position is that MTW should not be expanded to include other housing agencies, and current MTW agreements should not be extended unless the following conditions are met:

- There must be full enforceability of residents' rights as provided by the U.S. Housing Act and HUD regulations.
- There must be no waiver of full portability rights for all households.
- There must be no waiver of any fair housing-related requirements.
- There must be in place at the onset new, common data compilation and evaluation mechanisms, so that each program is subjected to the type of evaluation promised.
- Additional protections are provided for current and potential residents, including protections from unaffordable rents. Any determination of high rent burdens for MTW households would have to be followed by changes in rent policies to keep rents affordable for each household.
- No residents should be subjected to self-sufficiency provisions tied to leases and work or other threshold screening requirements tied to housing eligibility.
- Current income targeting should be maintained with no exceptions.
- Residents must also have a seat on each PHA board, be able to establish a Resident Advisory Board (RAB), and retain grievance and termination procedures.
- The PHA must continue to assist substantially the same number of families under the program as assisted in the year prior to MTW selection and continue to assist a comparable mix of families by family size.
- Those MTW PHAs that have been the subjects of HUD Inspector General MTW audits must prove their compliance with the program rules before their MTW status can be extended.
- If it is determined during the process of evaluation that a MTW PHA is imposing policies that are harmful to low income tenants or are otherwise found to be mismanaging its portfolios, its MTW status should be terminated. The MTW program must have room to be recalibrated regularly to address its impacts on residents and the future health of the housing agency.

TIPS FOR LOCAL SUCCESS

Advocates should be engaged in whether local PHAs are seeking approval to become an MTW site. MTW agreements between HUD and PHAs must be tailored to preserve housing options while protecting the affordability of homes for extremely low income people.

WHAT TO SAY TO LEGISLATORS

Advocates should urge Members of Congress to support increased funding for public housing and vouchers in FY13 so that PHAs can thrive as they operate safe, decent, and affordable public housing and voucher programs.

Legislators should also be asked to oppose continuation or expansion of the Moving to Work without significant changes. Anecdotal evidence is supported by numerous HUD Inspector General reports suggesting that the program has caused harm to the lowest income residents and potential residents and to the physical and financial futures of PHAs.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

Center on Budget and Policy Priorities • 202-408-1080 • www.cbpp.org

National Housing Law Project • 415-546-7000 • www.nhlp.org

HUD's MTW website provides information on current and past MTW demonstration sites: www.hud.gov/offices/pih/programs/ph/mtw/index.cfm

Access The Urban Institute's 2004 MTW evaluation at: www.hud.gov/offices/pih/programs/ph/mtw/evalreport.pdf

NATIVE AMERICAN, ALASKA NATIVE & NATIVE HAWAIIAN HOUSING PROGRAMS

By Mellor C. Willie, Executive Director, National American Indian Housing Council

The Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) is the main piece of federal legislation designed to address Native American housing issues, and comprises three major components: (1) The Indian Housing Block Grant (IHBG) program, (2) Title VIII Housing Assistance for Native Hawaiians, which includes the Native Hawaiian Housing Block Grant (NHHBG) program and the Section 184A Native Hawaiian Housing Loan Guarantee program, and (3) Title VI Tribal Housing Activities Loan Guarantee program.

Enacted in 1996, NAHASDA provides assistance to Indian tribes to allow affordable housing-related activities for low income families residing on reservations and other tribal areas. The Act, which became effective in October 1997, reflected a new attitude toward Native American housing as it recognized tribal sovereignty and self-determination. Federally-recognized tribes act as 'beneficiaries' of this federal housing program, and are free to exercise their authority throughout the NAHASDA process, whereas before NAHASDA, a tribal housing program was often separate from the tribe.

NAHASDA is set for reauthorization in 2013. A unified position from Indian tribes on NAHASDA reauthorization will be developed in 2012 and presented to Members of Congress for consideration at the outset of the 113th Congress. To this end, the National American Indian Housing Council (NAIHC) is conducting a series of regional outreach sessions throughout the U.S., to gather policy recommendations and input from the individuals and tribes responsible for administering NAHASDA programs.

Other housing programs that address Native American housing issues include the Indian Community Development Block Grant (ICDBG) program and the Indian Home Loan Guarantee program (Section 184), both of which are part of the Housing and Community Development Act of 1992.

ADMINISTRATION

NAHASDA is administered by HUD's Office of Native American Programs (ONAP).

HISTORY AND PURPOSE

Stemming from treaties with Indian tribes, federal statutes, court decisions, executive agreements, and the course of dealings and other federal policy from the early 1800s, the United States has a trust responsibility to Native American tribes and people. This unique legal and political relationship with Indian tribes is fiduciary in nature, with the federal government serving as trustee with a duty of protection toward tribes as beneficiaries. The trust responsibility extends to areas of health care, education, natural resources, and housing. Under the 1937 U.S. Housing Act, Congress addressed the housing needs of low income Americans and in 1961 Indian tribes became eligible for assistance under programs operated by HUD.

HUD regional offices administered programs to tribes in their areas. By the mid-1970s, HUD had created Offices of Indian Programs in Denver and in San Francisco to exclusively administer Indian housing programs. Finally, in 1992, Section

902 of the Housing and Community Development Act created the current entity, the Office of Native American Programs.

NAHASDA was enacted in 1996 and consolidated multiple federal housing assistance programs into a single block grant for Indian tribes or tribally designated housing entities to provide affordable housing for low income families residing on reservations and tribal areas. On October 14, 2008, NAHASDA was amended and reauthorized through Fiscal Year 2013.

The face of housing in Native American communities is as diverse as the communities it serves. The chronic problems associated with needs far outstripping resources beget creativity and unique leveraging of funding to address extraordinary housing needs. Overcrowding, poverty, unemployment, low household incomes, rapidly increasing population and lack of infrastructure are just some of the challenges that vex American Indians, Alaska Natives and native Hawaiians.

According to the 2000 Census, 14.7% of American Indian households in tribal areas are overcrowded, compared to 5.7% of homes in the general U.S. population. Furthermore, 11.7% of American Indian households in tribal areas are without

Native American, Alaska Native & Native Hawaiian Housing Programs

complete plumbing, compared with 1.2% of the general U.S. population.

PROGRAM SUMMARY

NAHASDA radically reformed how the federal government meets its trust responsibility when it comes to the housing needs of Native Americans. NAHASDA addresses the need for affordable homes in safe and healthy environments on Indian reservations, Alaska Native Villages, and on native Hawaiian Home Lands.

NAHASDA enhances tribal capacity to address the substandard housing and infrastructure conditions in tribal communities by encouraging greater self-management of housing programs and private sector financing to complement scarce IHBG dollars. The annual IHBGs are formula driven and awarded to eligible Indian tribes or their tribally designated housing entities (TDHEs) for a range of affordable housing activities that primarily benefit low income Indian families living on Indian reservations or in other Indian areas. The amount of each grant is based on a formula that considers need and the amount of existing housing stock.

Activities eligible to be funded with NAHASDA assistance include new construction, rehabilitation, acquisition, infrastructure, and various support services. Housing assisted with these funds may be either rental or homeowner units. NAHASDA funds can also be used for certain types of community facilities if the facilities serve eligible low income Indian families who reside in affordable housing. Generally, only low income families whose income does not exceed 80% of the average median income are eligible for assistance.

The NAHASDA Reauthorization Act of 2008 had broad bipartisan support in both chambers of Congress. Amendments to the program included removing competitive procurement rules for purchases under \$5,000; recognizing tribal preference laws for NAHASDA hiring and contracting; permitting tribes to carry over funds to a subsequent grant year; and establishing a reserve account for up to 20% of a tribe's annual NAHASDA grant amounts. Before these changes go into effect, tribes and HUD must complete a Negotiated Rulemaking Process. In 2010, a Negotiated Rulemaking Committee was formed and six sessions were held to discuss and negotiate a proposed rule. In 2011, the proposed rule was sent to tribes for comment and review before the regulations were to be implemented.

NATIVE HAWAIIANS

In 2000, NAHASDA was amended to create a separate title addressing the housing and related community development needs of native Hawaiians. This title, Title VIII Housing Assistance for Native Hawaiians, includes the Native Hawaiian Housing Block Grant (NHHBG) program and the Section 184A Native Hawaiian Housing Loan Guarantee program. The NHHBG program provides eligible affordable housing assistance to low income native Hawaiians eligible to reside

on Hawaiian Home Lands. Since 2005, Title VIII has not been reauthorized. NHHBG has, however, been funded each year.

The Department of Hawaiian Home Lands (DHHL), the sole recipient of NHHBG funding, uses the funds for new construction, rehabilitation, acquisition, infrastructure, and various support services. Housing can be either rental or homeownership. The NHHBG can also be used for certain types of community facilities if the facilities serve eligible residents of affordable housing. DHHL also uses the funds to provide housing services, including homeownership counseling and technical assistance, to prepare families for home purchase and ownership.

The Hawaiian Homelands Homeownership Act of 2000 adds a new Section 184A to the Housing and Community Development Act of 1992, which authorized the Native Hawaiian Housing Loan Guarantee program. The purpose of the Section 184A loan is to provide access to sources of private financing on native Hawaiian home lands. The program is designed to offer homeownership, property rehabilitation, and new construction opportunities for eligible native Hawaiian individuals and families wanting to own a home on Hawaiian home lands.

FUNDING

For FY10, the IHBG program was funded at \$700 million, \$648 million in FY11, and \$650 million in FY12. The NHHBG program was funded at \$13 million in FY10, FY11, and FY12. Federal programs may experience funding cuts over the coming years which will add to the existing difficult environment on Capitol Hill.

WHAT TO SAY TO LEGISLATORS

First and foremost, NAHASDA is up for reauthorization in 2013. Advocates should be aware of tribal positions identified throughout 2012 in the reauthorization process and support enactment in the 113th Congress.

Protecting and increasing funding for NAHASDA is an ongoing issue for advocates to be aware of, but of nearly equal importance is the Act's implementation, which has been plagued by delay and lack of consultation with tribes.

Tribes across the country are striving for sustainability without federal subsidy to complement the values of sovereignty and self-determination, but in the meantime the federal government must fulfill its trust responsibility in supporting tribal development. The advent of programs like NAHASDA and the Low income Housing Tax Credit Program are creating new and exciting opportunities for tribes to improve their communities. It is vital that the federal government work in partnership with tribal governments to improve housing and economic development conditions in tribal communities.

Native Hawaiian reauthorization. The Title VIII program was included in the House version of NAHASDA reauthorization in 2008, but not in the final bill. The Hawaiian Homeownership Opportunity Act of 2011 (H.R. 2648 and S. 65) was introduced in the 112th Congress and would have reauthorized Title VIII. Housing advocates should push for reauthorization of native Hawaiian programs in their efforts to ensure native Hawaiians have access to critical resources for housing and community development.

Resources for tribal housing programs. Funding for tribal housing is the lifeblood of community development in Indian Country. For many years, funding has leveled off, failing even to keep pace with inflation and ever-increasing costs of energy, materials, and construction. Advocates should ask Congress and HUD to fully fund tribal housing and tribal housing-related programs, including the Indian Housing Block Grant program, the Indian Community Development Block Grant program, the Native Hawaiian Housing Block Grant program, and the Section 184, 184A, and Title VI Loan Guarantee programs.

FOR MORE INFORMATION

National American Indian Housing Council • 202.789.1754 • www.naihc.net

HUD Office of Native American Programs • www.hud.gov/offices/pih/ih/

Department of Hawaiian Home Lands • <http://hawaii.gov/dhhl>

NEIGHBORHOOD STABILIZATION PROGRAM

By Amanda Sheldon Roberts, Housing Director, Enterprise Community Partners

The Neighborhood Stabilization Program provides emergency assistance to states and local governments to acquire and redevelop foreclosed, vacant and abandoned properties that have become blights on the community and are driving down neighboring property values. There have been three rounds of NSP, totaling nearly \$7 billion. Though \$7 billion is a considerable amount of funding, it is not nearly enough to remedy the harm caused by the national foreclosure crisis.

ADMINISTRATION

NSP is based on a modified Community Development Block Grant (CDBG) program and is administered by the HUD Department of Community Planning and Development (CPD).

HISTORY AND PURPOSE

As the foreclosure crisis spread throughout the country, it became apparent that entire neighborhoods were being ravaged by the blighting influence of vacant and abandoned homes. Neighborhoods—urban and suburban, rich and poor, new and old—have been negatively impacted by large numbers of foreclosed and abandoned homes. Foreclosures bring down the value of neighboring homes and lower property tax receipts, affecting schools and other local services. Homes that sit vacant cause blight and crime, further lowering property values and affecting the overall quality of life in neighborhoods.

In order to stabilize these neighborhoods and stop the precipitous decline of neighborhood property values, NSP was authorized and funded by Title III of the Housing and Economic Recovery Act (HERA), passed on July 30, 2008. This first round of NSP funds (\$3.92 billion) was distributed to 306 states, cities and counties via a needs-based formula allocation.

Since the initial round (NSP1), two additional rounds of NSP funding have been provided by Congress (NSP2 and NSP3). On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) provided an additional \$2 billion for the program via a competitive allocation. On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act provided an additional \$1 billion for a third round, but returned to the needs-based formula of NSP1.

PROGRAM SUMMARY

NSP funds are intended to stabilize communities and stop home prices from declining in areas with large numbers of foreclosures by providing resources to purchase foreclosed, vacant, or abandoned homes and to rehabilitate, resell, rent, redevelop or demolish them. The three rounds of NSP differ from each other in a few key ways.

HERA NSP Formula Grant Program. For the first round of NSP, the Housing and Economic Recovery Act established a formula allocation grant program to distribute NSP funds to states and localities. The formula outlined in the legislation was based on the number and percentage of home foreclosures, the number and percentage of homes financed by subprime mortgages, and the number and percentage of homes in default or delinquency in those areas.

NSP-eligible activities include:

- Establishing financing mechanisms for the purchase and redevelopment of foreclosed homes and residential properties.
- Purchasing and rehabilitating homes and residential properties that have been abandoned or foreclosed.
- Establishing and operating land banks for homes and residential properties that have been foreclosed.
- Demolishing blighted structures.
- Redeveloping demolished or vacant properties.

According to the statute, all of the funds must be used for housing for individuals and families whose incomes do not exceed 120% of area median income (AMI). Not less than 25% of funds must be used to house individuals or families whose incomes do not exceed 50% of AMI. All homes acquired for NSP must be purchased at a discount from the appraised price, and program income earned from the sale of properties must be used for NSP-eligible activities.

On October 6, 2008, HUD released the NSP regulations and announced that all 50 states and 256 cities and counties (plus three territories) would receive a direct NSP allocation. Communities eligible to receive NSP funds submitted action plans to HUD, and most signed grant agreements in March 2009. The statute required that all funds be obligated within 18 months of receipt, which was September 2010 for most grantees, and 99.7% of grantees met this requirement.

ARRA Competitive Program: NSP2. NSP2 was created in the American Recovery and Reinvestment Act and provided additional funds to be distributed competitively to state and local governments. Unlike the first round of NSP, nonprofit entities, as well as consortiums of state governments, local

governments, for-profits, and nonprofits were all eligible applicants.

HUD announced the NSP2 recipients on January 14, 2010, and 56 grantees received funds; the vast majority of these were local consortiums that consisted of local governments or nonprofits. Grantees were required to expend at least 50% of their allocated funds within two years of receipt, and 100% within three years.

Most of the requirements for NSP2 were the same as for NSP1. However, there were some programmatic differences, including a specific prohibition against the use of funds for the demolition of public housing, a requirement that no more than 10 percent of a jurisdiction's grant be used for demolition of housing (unless a waiver is requested), and a series of mandatory green rehabilitation standards. Also, NSP2 does not allow construction of or assistance to public facilities; it is entirely housing-focused.

NSP2 also offered tenant protection provisions, authorized under ARRA, that NSP1 had not. Under these provisions, tenants in NSP-funded properties must be provided with a 90-day notice and tenants with leases have a right to remain in the property for the remainder of their lease. Tenants with Section 8 Housing Choice Voucher assistance will be permitted to remain in the property with their assistance intact, and recipients of NSP funds may not discriminate against holders of vouchers.

Fifty million dollars of the NSP2 allocation was distributed to 10 technical assistance (TA) providers to build the capacity of NSP1 and NSP2 grantees. As of December 2011, NSP TA providers have responded to over 1,700 TA requests and conducted dozens of workshops and regional training events. Technical assistance has focused on a broad range of topics, including program design, marketing, construction management and green/energy efficient building, project underwriting and financing, development assistance and NSP rules and regulations. Technical assistance has been directed based on grantee requests and as a result of formal HUD-directed needs assessments.

Dodd-Frank Formula Grant Program: NSP3. On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act, which included \$1 billion for a third round of NSP (NSP3). On September 8, 2010, HUD released the formula allocations for 280 grantees.

On October 19, 2010, HUD published the Notice of Formula Allocations and Program Requirements for the NSP Formula Grants. The notice was intended to be a unified notice for both the first and third rounds of NSP funding. For NSP1 grantees, this notice provided consolidated program requirements. For NSP3 grantees, the notice outlined the allocation formula amounts, alternative requirements, and the waivers of regulations that were specific to the third round of funding. Programmatically, NSP3 most resembles NSP1.

FUNDING

\$3.92 billion was appropriated for the NSP program in 2008 under HERA, \$2 billion was provided in 2009 in ARRA, and \$1 billion was provided in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

While obtaining nearly \$7 billion in funding should be viewed as a tremendous success, it is not nearly enough to help all communities in need. Additional federal, state, local and private funds must be leveraged to make the NSP state and local plans successful.

WHAT ADVOCATES NEED TO KNOW

NSP has changed significantly since its creation in 2008, and advocates continue to work with Congress and HUD to further improve the program. Congress has made significant improvements through legislative corrections in ARRA and the Dodd-Frank Act. Among these important changes are the repeal of the original program income rules and allowing vacant properties to meet the low income set aside requirement. HUD has also issued dozens of corrections and policy guidance updates that have improved the program's implementation and effectiveness on the ground. For example, HUD revised the definitions of 'abandoned' and 'foreclosed' to better reflect market realities. Grantees are still awaiting directive from HUD regarding the close out of grants at expiration, and the treatment of Program Income after grant expiration, both of which could have a large impact on longer term opportunities to re-use funds.

On March 16, 2011, the House of Representatives passed H.R. 861, the NSP Termination Act. The supporters of the bill cited several reasons for its introduction, including the fact that NSP does not prevent foreclosures and that that NSP has been a failure. However, NSP was never intended to prevent foreclosures and HUD estimates that the first two rounds will impact 80,000 foreclosed, abandoned, or vacant properties. The NSP Termination Act has not been introduced in the Senate and it likely will not be introduced in this Congress. However, the passage of the NSP Termination Act means that the House is officially on record as opposing NSP and that it will likely oppose any additional funds or program improvements.

On September 8, 2011, President Obama announced the American Jobs Act, which included \$15 billion for Project Rebuild, a new program that would expand upon the success of NSP. Project Rebuild would be similar to NSP, except that commercial properties would be eligible and for-profit entities could apply for competitive funding. Representative Maxine Waters (D-CA) introduced the Project Rebuild Act of 2011 (H.R. 3502) on November 18, 2011. However, the bill does not have a Senate companion and given the current deficit reduction climate and the House's previous actions on the NSP Termination Act, it is unlikely that Project Rebuild will be passed in the 112th Congress.

TIPS FOR LOCAL SUCCESS

In general, for NSP to be successful in truly stabilizing neighborhoods, joint planning and participation of public, private, and nonprofit entities is crucial. It is also important to target resources, as there are limited NSP funds which will therefore be more likely to have a true stabilizing effect when they are concentrated in a few key neighborhoods. In addition, localities will have a greater impact if they can leverage NSP funds with other private or public sources.

In order to assist in the transfer of foreclosed properties from banks or servicers to NSP grantees, Enterprise Community Partners, Housing Partnership Network, Local Initiatives Support Corporation, NeighborWorks America, National Council of La Raza and Urban League established the National Community Stabilization Trust (NCST). NCST helps communities to obtain foreclosed and abandoned properties from financial institutions and build local capacity to effectively acquire, manage, rehabilitate, and sell foreclosed property. On September 1, 2010, HUD Secretary Shaun Donovan announced an official partnership between NCST and HUD. More information can be found at www.stabilizationtrust.com.

WHAT TO SAY TO LEGISLATORS

The funding allocated to NSP, while large for a new HUD program, is small compared to the size and scale of the foreclosure problem. NSP alone will not solve the foreclosure crisis, but it is a powerful tool for local jurisdictions. Individual localities are using NSP funds to purchase scattered-site properties and there are isolated examples of true neighborhood stabilization as a result of the program. However, it may be many years before anyone is able to definitively measure the success of NSP when it comes to holistic neighborhood stabilization nationwide. Many NSP grantees are using funds in innovative and effective ways, and it seems that the program will greatly contribute to the efforts to slow the decline of America's neighborhoods.

FOR MORE INFORMATION

HUD established a comprehensive NSP website to assist grantees at: www.hudnsphelp.info

Enterprise Community Partners • 202-842-9190 • www.enterprisecommunity.org;

PROJECT-BASED ASSISTANCE FOR RENTAL HOUSING

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

Through project-based assistance HUD directly contracts with owners of private multifamily housing to make units affordable to low income households. The contract may be associated with HUD mortgage insurance or with project-based Section 8 rental assistance, or both. Project-based assistance is administered by HUD and fixed to a specific property. In comparison, tenant-based Section 8 (also known as Housing Choice Vouchers) is administered by a local public housing agency (PHA) and linked to a tenant who may rent any privately-owned unit meeting a PHA's rent standard.

This stock of affordable housing is in danger of being permanently lost as a result of properties physically deteriorating, or due to properties being converted to non-affordable uses (such as high-rent units or condominiums) when a HUD-subsidized mortgage is either prepaid or matures or when an owner decides not to renew an expiring project-based Section 8 contract.

ADMINISTRATION

Project-based programs are administered by the Office of Multifamily Housing Programs in HUD's Federal Housing Administration (FHA).

PROGRAM SUMMARY

From 1965 to the mid-1980s, HUD played an essential role in creating affordable rental homes by providing to the private sector, financial incentives such as below-market interest rate loans, interest rate subsidies, or project-based Section 8 contracts. Currently, no additional units are being produced under these programs.

Initially, project-based assistance was provided through the Federal Housing Administration (FHA) in the form of a mortgage subsidy. Mortgage subsidies reduced the cost of developing rental housing and in return HUD required assisted properties to agree to low income 'use restrictions,' that is, restricting occupancy to households meeting a program's income limits and restricting contract rents. These programs do not provide the direct rental assistance needed in order to be affordable to extremely low or very low income households.

The Section 221(d)(3) Below Market Interest Rate (BMIR) mortgage insurance program, created by the National Housing Act of 1961, enabled HUD to purchase below-market loans made by private lenders. In 1968, Section 221(d)(3) BMIR was replaced by the Section 236 program, which combined FHA mortgage insurance on private loans with an interest rate subsidy to effectively lower the mortgage interest rate to 1%. Owners of Section 221(d)(3) BMIR and Section 236 properties were required to make units available to low and moderate income families at HUD-approved rents for the term of their 40-year mortgages. More than 600,000 units of affordable housing were built under these two programs. Some, but not

all, subsidized mortgage properties also have project-based rental assistance from the Section 8 program.

In 1974 Section 236 was replaced by the Section 8 New Construction and Substantial Rehabilitation program, now known as Project-Based Section 8. HUD entered into 20- to 40-year contracts with private owners to serve low income tenants. More than 800,000 units were developed between 1974 to 1983, when authorization for new construction was repealed.

See box on page 143 for brief descriptions of other programs: Rent Supplement (Rent Supp), Rental Assistance Payments (RAP), Section 8 Moderate Rehabilitation, and the U.S. Department of Agriculture's Rural Development Section 515 mortgage subsidy and Section 521 Rental Assistance.

Today, nearly 1.2 million households live in homes with Project-Based Section 8 rental assistance. Fifty-five percent of these households have someone who is disabled or elderly. The average household income is \$11,000. Another 300,000 households live in homes with one of the other forms of project-based assistance, but without rental assistance.

For Project-Based Section 8 rental assistance, HUD enters into Housing Assistance Payments (HAP) contracts with owners. These contracts have been limited to one-year contracts since the mid-1990s due to Congress reducing funding for renewal contracts to one year (compared to five- to twenty-year contracts before the mid-1990s). Tenants pay 30% of their monthly adjusted income for rent and utilities, and HUD pays the owner the difference between the contract rent and the tenant's portion. The average monthly subsidy per unit in 2011 was \$665. New residents in Project-Based Section 8 units can have incomes of no more than 80% of the area median income (AMI), with 40% of new admissions required to have incomes below 30% of AMI.

Project-Based Assistance for Rental Housing

New residents of Section 221(d)(3) BMIR properties can have incomes up to 95% of AMI, while those in Section 236 properties can have incomes up to 80% of AMI, though the median annual household income for residents of these properties is between \$11,000 and \$12,000.

Preservation of Assisted Housing. Although no new units are being constructed, the challenge today is ensuring federally assisted affordable housing is not permanently lost through physical deterioration, or as a result of properties being converted to non-affordable uses (such as high-rent units or condominiums) when a HUD-subsidized mortgage is either prepaid or matures or when an owner decides not to renew an expiring project-based Section 8 contract.

There are several specific conversion risks for rental housing with project-based rent assistance.

Mortgage prepayment. Although Section 236 and Section 221(d)(3) BMIR mortgages had 40-year terms, program regulations allowed most for-profit owners to prepay their mortgages after 20 years. By pre-paying, in most cases owners may terminate income and rent restrictions and any Section 8 rent subsidy. Owners must give tenants at least 150 days advance notice of an intention to prepay.

Maturing mortgages. Tens of thousands of low income families face escalating rents if tenant and affordability protections are not extended for properties with maturing Section 236 and Section 221(d)(3) BMIR mortgages. Residents living in apartments with affordability protections but without Project-Based Section 8 contracts do not currently qualify for Enhanced Vouchers or other rental assistance when the HUD subsidized mortgage expires. The National Housing Trust estimates that over the next five years, 77,000 households are at risk of rent increases or displacement because HUD-subsidized mortgages have recently matured or are due to mature.

Expiring Project-Based Section 8 assistance contracts. When Project-Based Section 8 assistance contracts expire, owners may choose to discontinue ('opt out' of) their contracts, enabling them to increase rents to market levels or converting units to condominiums, thereby rendering apartments unaffordable to lower income tenants. Owners must give tenants a year's notice of an intent to opt out. Most tenants will receive Enhanced Vouchers to enable them to remain in their homes. The National Housing Trust estimates that over the next five years 770,000 units covered by project-based Section 8 contracts will expire during the next five years.

Enhanced Vouchers. Special voucher assistance is provided to tenants who would otherwise be displaced due to rising rents or condo conversion if an owner prepaays a Section 221(d)(3) BMIR or Section 236 mortgage or if an owner opts out of a Project-Based Section 8 contract. HUD is required by statute to provide tenants in the former project-based units, through the local PHA, 'enhanced' tenant-based vouchers to enable them

to afford to remain in their housing. These Enhanced Vouchers will pay the difference between 30% of the tenant's income and the new rent, even if that rent is higher than the PHA's payment standard. Tenants have a right to remain in their apartments after conversion to market rents; owners must accept the Enhanced Voucher. If a tenant with an Enhanced Voucher moves to another property, the enhanced voucher converts to a regular voucher and the unit they occupied is no longer affordable to any lower income household.

HUD issued Notice H 2012-3 on February 24, 2012, <http://portal.hud.gov/hudportal/documents/huddoc?id=12-03hsgn.pdf>. It is a useful reference regarding instances when Enhanced Vouchers can be issued to residents.

Mark-to-Market. Some FHA-insured properties with expiring Project-Based Section 8 contracts have rents that exceed market rents. Upon contract renewal HUD is required to reduce rents to market level, creating a cash crunch for these properties and potentially putting their FHA-insured mortgages at risk of default. To address this problem, in 1997 Congress enacted the Mark-to-Market program. An owner must either go through the Mark-to-Market program, or opt out. In the Mark-to-Market program, an owner has two options:

- An owner may choose to have the mortgage restructured in order to be able to afford to operate and maintain the property with lower, market rents. In exchange for this mortgage restructuring, an owner agrees to accept Section 8 rent subsidies for 30 years.
- Alternatively, an owner may choose to renew the Section 8 contract for one year with Section 8 rents reduced to market without undergoing a mortgage restructuring.

HUD is also able to raise contract rents to market levels upon contract renewal for properties in high-cost areas through the Mark-Up-to-Market program. Five-year contract renewals are required in Mark-Up-to-Market. This provides a needed incentive for owners to renew their participation in the Section 8 program when private-sector rents are high. This also provides a source of revenue for needed capital improvements.

Troubled Properties. HUD multifamily properties may be at risk when a property is in poor financial or physical condition. An owner defaulting on a HUD-assisted mortgage could result in termination of the Section 8 subsidy through HUD's foreclosure and property disposition process. Since 2005, however, Congress has used appropriations acts to renew the so-called Schumer Amendment. That provision requires HUD to maintain a project-based Section 8 contract at foreclosure or disposition sale as long as the property is in viable condition. If not viable, HUD can, after consulting tenants, transfer the Section 8 subsidy to another property.

Another risk is that of HUD terminating a Section 8 contract mid-term or refusing to renew the Section 8 contract if there is a serious violation of the terms of the Section 8 Housing Assistance Payment contract. Appropriations act provisions

since FY06 have allowed HUD to transfer project-based assistance, debt, and use restrictions from properties that are physically obsolete or not financially viable to another project. Residents must be notified and consulted.

FUNDING

Congress appropriated \$9.340 billion to renew all project-based Section 8 contracts in FY12. The Administration's budget request for FY13 is only \$8.7 billion, \$400 million of which is actually a request for an advance appropriation from FY14. HUD admits this is not sufficient to give full, 12-month contracts to all properties. Instead HUD will provide full 12-month contracts for only 5,300 renewals affecting 360,000 units. The remaining 10,600 contracts, covering 739,000 units, would get short-term contracts. HUD claims there will be sufficient funding to carry all contracts into FY14. Advocates are concerned that investors will question the stability of the program, especially given uncertainty about full contract renewal funding in FY14.

WHAT ADVOCATES NEED TO KNOW

The FY12 Appropriations Act had five key provisions affecting project-based programs.

- 1) The Mark-to-Market program was reauthorized through September 30, 2015.
- 2) Tenant protection vouchers issued since October 1, 2006 for expiring Rent Supplement, RAP, and Moderate Rehabilitation properties – or for contracts that will expire – could be project based during FY12 and FY13. Project basing of these vouchers will not count against a PHA's limit of using no more than 20% of its total Housing Choice Voucher dollar allocation for project basing. (Project basing of Housing Choice Vouchers means converting tenant-based vouchers from vouchers tied to a tenant household and instead fixing the voucher to a specific project or units in a project.)
- 3) \$10 million was set aside within the Public Housing Tenant Protection Voucher account to provide tenant protection vouchers or Enhanced Vouchers to at-risk tenants living in buildings with expiring HUD-insured mortgages (e.g. Rent Supplement) or expiring RAP contracts that do not qualify tenants for Enhanced Vouchers. Tenants would have to be in jeopardy of paying more than 30% of income for rent in properties located in low-vacancy areas and. These vouchers could also be project based.
- 4) The Schumer Amendment (see Troubled Properties above) is renewed for FY12. The FY12 version now applies to all project-based contracts, not just those that are HUD-insured or HUD-held properties. The FY12 version also requires HUD to notify tenants and obtain their consent before HUD abates a contract and relocates tenants for imminent health and safety threats.
- 5) Section 8 transfer authority is renewed (see Troubled Properties above), allowing HUD to transfer a Section 8 contract, debt, and use restrictions from a financially troubled or physically obsolete building to another building(s). The FY12 version adds that transfers can be

OTHER RENTAL ASSISTANCE PROGRAMS

There are three other smaller programs that still have units associated with them. These programs are sometimes referred to as the 'orphans'. In addition to mortgage subsidies, HUD provided rental assistance payments to owners for some tenants of Section 221(d)(3) BMIR and Section 236 insured properties through several programs.

- The Section 101 Rent Supplement program (Rent Supp) was authorized by the Housing and Urban Development Act of 1965. Many of these properties received Loan Management Set-Aside (LMSA) Section 8 contracts due to rapidly rising operating costs in the mid-1970s. Currently there are 190 active Rent Supp contracts covering 10,004 units.
- Some Section 236 properties were provided additional rental assistance payments through the Rental Assistance Payments (RAP) program, authorized by the Housing and Community Development Act of 1974. RAP payments were made to owners on behalf of very low income tenants unable to afford the basic rent with 30% of their income. RAP reduces tenant payment for rent to 10% of gross income, 30% of adjusted income, or the designated portion of welfare assistance, whichever is greater. Most RAP contracts converted to Section 8 LMSA contracts. Currently there are 126 active RAP contracts covering 12,382 units.
- Another form of rental assistance is the Section 8 Moderate Rehabilitation program (Mod Rehab), designed in 1978 to stimulate moderate levels of rehabilitation to preserve affordable housing. It provides project-based rental assistance for low and very low income residents, but unlike other project-based Section 8, the agreement is between the owner and a local PHA. Like Project-Based Section 8, residents pay 30% of adjusted income for rent while rental assistance pays the balance. The program was repealed in 1991 and no new projects are authorized for development. Currently there are 22,500 Mod Rehab units.

Two Rural Programs administered by Rural Development at the U.S. Department of Agriculture are:

- The Section 515 program provided subsidized mortgage loans to develop more than 550,000 rental units for very low to moderate income households. Started in 1963, budget cuts reduced production dramatically after 1979. The stock of Section 515 units has been dwindling due to mortgage prepayment and deteriorating physical conditions.
- The Section 521 program is a project-based subsidy available for Section 515 projects (as well as Section 514/516 farmworker projects) that subsidizes the difference between the contract rent and a tenant rent payment of 30% of income.

done in phases, and it also allows the number of units in the receiving property to be fewer than in the original if those units were unoccupied and the reconfiguration is justified by current market conditions.

Given budget constraints, HUD issued a Memorandum on November 22, 2011 announcing three policy changes to save money. These policies are also in HUD's FY13 budget proposal.

- 1) Funds currently held in project residual receipts accounts will be used to reduce assistance payments.
- 2) Renewals and annual rent adjustments for certain projects (Option 4) will be limited to Operating Cost Adjustment Factor (OCAF) increases if proposed rents exceed the market.
- 3) All rent comparability studies will be required to justify proposed rent increases exceeding 110% of Small Area Fair Market Rents.

HUD's FY13 budget proposal would also increase tenant minimum rents from \$25 to \$75, a provision that NLIHC strenuously opposes.

TIPS FOR LOCAL SUCCESS

Preservation of affordable rental housing is usually undertaken by developers with a preservation track record, often regional or national nonprofits. The most successful local efforts include early identification of properties at risk of conversion as well as active partnerships with tenants, local HUD officials, state and local housing officials, and lenders and investors with a shared commitment to preserving affordable rental housing.

Subsidized multifamily rental housing can be at risk of leaving the affordable housing stock for any number of reasons, such as an owner's intent to prepay a subsidized mortgage or not renew a project-based rental subsidy contract, or uninhabitable living conditions prompting a HUD foreclosure.

Having a local database of subsidized multifamily rental housing is an essential tool for preserving assisted housing in a community because it provides an inventory of properties available to low income households, their location, and factors threatening the affordability of each project.

Many projects benefit from multiple layers of subsidy. HUD makes data on specific affordable housing programs available to the public, but nowhere does HUD combine these files into one database that counts each subsidized project only once and associates it with all of the subsidies that make it affordable to low income households. NLIHC has a publication that spells out how to create an easy-to-use database. See Chapter 5 of *The Preservation Guide*, located at <http://nlihc.org/library/other/preservation>

WHAT TO SAY TO LEGISLATORS

- Urge legislators to provide sufficient funding to renew all Project-Based Section 8 contracts for a full 12 months in FY13 and FY14.
- Register your opposition to raising the minimum rent to \$75. That increase will be a financial burden to the lowest income households, yet only provide \$150 million in added revenue for the program.
- Support preservation features of the proposed Affordable Housing and Self-Sufficiency Act of 2012:
 - o Increasing the maximum contract length for project-based vouchers to 20 years.
 - o Prohibiting existing public and assisted housing families who receive Enhanced Vouchers or tenant-based vouchers because of demolition or disposition, or because of a termination of a HUD subsidy contract, from being considered a new applicant and being re-screened by the PHA.
 - o Including Enhanced Vouchers in the determination of a PHA's leasing rate.
- Urge reintroduction of broad legislation to preserve assisted housing that was reported out by the House Financial Services Committee in 2010. That bill would:
 - o Provide grants and loans to for-profit and nonprofit housing sponsors to help ensure that properties can be recapitalized and kept affordable;
 - o Allow owners to request project-based assistance in lieu of enhanced vouchers;
 - o Protect the rights of states to enact preservation and tenant protection laws that will not be preempted by federal law;
 - o Ensure data needed to preserve housing is publicly available and regularly updated, and allow for the creation of a single database for all federally assisted properties based on a unique identifier for each property;
 - o Authorized rural housing preservation program for RD Section 515 properties.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org.

National Housing Trust • 202-333-8931 • www.nhtinc.org

National Housing Law Project • 415-546-7000 • www.nhlp.org

National Alliance of HUD Tenants • 617-267-9564 • www.saveourhomes.org

For more information on NLIHC's Preservation Catalog project: <http://nlihc.org/library/other/preservation>

PUBLIC HOUSING

By Linda Couch, Senior Vice President for Policy and Research, National Low Income Housing Coalition

The nation's 1.1 million units of public housing are administered by the network of 3,100 local public housing agencies, with funding from HUD and resident rents.

Additional public housing has not been built in decades. Advocates are focused primarily on preserving the public housing stock that remains. Issues facing today's public housing include generally well-run public housing agencies facing significant federal funding shortfalls; policies like demolition, disposition and the HOPE VI program that have resulted in the nationwide loss of public housing units; renovation programs that address both public housing and broader neighborhood improvements, like the Choice Neighborhoods Initiative; the Rental Assistance Demonstration; and calls for deregulation of public housing, through the expansion of the Moving to Work demonstration program and other efforts, that could come at the expense of affordability, deep income targeting, resident participation and programmatic accountability without strict parameters.

HUD's latest tool to address the aging public housing stock is the Rental Assistance Demonstration (RAD), which was enacted in HUD's FY12 appropriations bill after almost two years of negotiation between HUD, Members of Congress, and stakeholders. RAD and the Choice Neighborhoods Initiative (CNI) are two key programs that were championed by the Obama administration.

HISTORY AND PURPOSE

Public housing was established by the Housing Act of 1937. A moratorium on public housing was declared in 1974 by President Nixon as the nation shifted its housing assistance vehicle to the then-new Section 8 rental assistance voucher program and the engagement of the private sector in meeting the nation's housing needs. Federal funds specifically for adding to the public housing stock were last appropriated in 1994, but little public housing has been built since the early 1980s.

In 1996, Congress stopped requiring that demolished public housing units be replaced on a unit-by-unit, one-for-one basis. In 1998, the Quality Housing and Work Responsibility Act (QHWRA; pronounced 'kwa-ra') changed various other aspects of public housing, including public housing's two main funding streams, the operating and capital subsidies. Federal law also capped the number of public housing units at the number each PHA operated on October 1, 1999.

Today, units are being lost through PHA demolition and disposition of units, including through the HOPE VI program, the mandatory and voluntary conversion of public housing to voucher assistance and the cumulative impact of decades of underfunding and neglect on once-viable public housing units.

Since the mid-1990s, about 200,000 public housing units have been demolished; about 50,000 have been replaced with new public housing units and another 57,000 former public housing families were given vouchers instead of a public

housing replacement unit. Another almost 50,000 units of non-public housing have also been incorporated into these new developments but serve groups with incomes higher than those of the displaced households.

PROGRAM SUMMARY

There are more than 1.1 million public housing units in the United States. According to HUD, of the families served by public housing, nearly 60% are elderly and disabled households on a fixed income. The average annual income of a public housing household is \$13,395. The demand for public housing far exceeds the supply. In many large cities, waiting list times can be 10 years or longer. Like all HUD rental assistance programs, public housing is not an entitlement program. Rather, its size is determined by annual appropriations and is not based on who qualifies for assistance.

Access to public housing is means-tested. All public housing households must be low income (meaning income less than 80% of the area median), and at least 40% of new admissions in any year must be extremely low income (meaning income less than 30% of the area median). PHAs can also establish local preferences for certain populations, such as the elderly, people with disabilities, veterans, full-time workers, domestic violence victims or people who are homeless or who are at risk of becoming homeless.

As in other federal housing assistance programs, residents of public housing pay the highest of (1) 30% of their monthly adjusted income, (2) 10% of their monthly gross income, (3) their welfare shelter allowance, or (4) a PHA-established

minimum rent of up to \$50. The average public housing household pays more than \$300 a month toward rent and utilities.

A draft House bill, the Affordable Housing and Self-Sufficiency Improvement Act, would mandate that minimum monthly rents increase to \$75 and would remove the discretion a PHA currently has to set the minimum rent amount. According to HUD, 27% of PHAs either do not have a minimum rent at all or have one that is less than \$50. If a PHA has a minimum rent above \$0, it must also have a hardship exemption policy. Less than 1% of minimum rent payers participate in any minimum rent exemption, leaving advocates very concerned that residents may be unaware of their right to be exempt from PHAs' minimum rent policies.

PHAs are responsible for maintaining the housing, collecting rents, managing waiting lists, and other activities related to the operation and management of the housing (most PHAs also administer localities' Housing Choice Voucher programs).

Most PHAs are required to complete annual and five-year Public Housing Agency Plans, which detail many aspects of their housing programs, including waiting list preferences, grievance procedures, plans for capital improvements, service, and minimum rent requirements. These plans are submitted to HUD and represent a key way for public housing residents, voucher holders, and community stakeholders to participate in the planning process of the public housing agency.

PHAs receive two annual, formula-based grants from HUD: operating subsidies and capital subsidies.

Public Housing Operating Fund. The public housing operating subsidy is designed to make up the balance between what residents pay in rent and what it actually costs to operate the public housing. Federal subsidies pay for about 60% of actual operating expenses, and the remainder is derived from tenant rent payments. Major operating costs include building maintenance and management, a portion of utilities, routine and preventative maintenance, supportive services, resident participation support, insurance, security and PHA employee salaries and benefits.

HUD's operating formula system, Asset Management, bases an agency's operating subsidy on a property-by-property basis, rather than the current PHA-by-PHA basis.

Public Housing Capital Fund. The capital fund is also appropriated annually by Congress and is distributed by HUD to PHAs based on a formula. The capital fund can be used for modernization, including developing, rehabilitating and demolishing units; replacement housing; and management improvements. In 2011, HUD released a capital needs assessment showing a \$26 billion backlog for capital fund repairs in public housing.

Demolition and Disposition. Since 1983, HUD has authorized PHAs to apply for permission to demolish or dispose of (sell) public housing units. This policy was made infinitely more damaging in 1995 when Congress began suspending the requirement that housing agencies replace, on a one-for-one basis, any public housing lost through demolition or disposition. Since 2000, more than 100,000 public housing units were demolished or disposed of, and applications for the demolition or disposition of another 10,000 public housing units are submitted to HUD each year. In 2012, HUD clarified and strengthened its guidance on demolition/disposition in an effort to curb the decades-long sale and needless destruction of the public housing stock that is affordable to the lowest income people. While additional reforms are expected from HUD, the early 2012 guidance brings clarity to the demolition/disposition process by unequivocally stating that proposed demolition/disposition must be identified in the PHA Plan or in a significant amendment to the PHA Plan; that PHAs must comply with strict resident consultation requirements for the PHA Plan, the demolition/disposition application, and the redevelopment plan; that HUD's requirements to provide employment, training and economic opportunities to residents applies to properties in the demolition/disposition process; that the review criteria for demolition applications must meet clear HUD standards; and that no demolition or disposition is permissible prior to HUD's approval, including any phase of the resident relocation process.

Rental Assistance Demonstration. As part of its FY12 HUD appropriations bill, Congress authorized the Rental Assistance Demonstration (RAD). RAD would allow HUD to convert the rental assistance subsidy for up to 60,000 public housing and moderate rehabilitation units into either project-based Section 8 rental assistance contracts or project-based vouchers by September 2015. RAD includes various resident rights and protections, including requiring 'equivalent' rights from public housing to new subsidy stream. RAD mandates rights related to admissions, evictions and terminations of assistance, as well as requirements to establish effective tenant-management relationships and rights for grievance hearings be present in converted units. These are traditionally the rights of public housing residents and are not rights that project-based Section 8 and most project-based voucher holders have otherwise. RAD also makes clear that subsidy conversion is not a basis for rescreening or eviction and tenants in such conversions will not be considered new.

As enacted, RAD includes clarity on who can own converted units. Among converted units, the HUD Secretary must require ownership by a public or nonprofit except if threatened by foreclosure, bankruptcy or termination of assistance for material violation. Here, there must be priority for ownership first by a capable public entity, then by a capable nonprofit, and then by another entity as determined by Secretary. And, ownership can only be by a for-profit if necessary for Low Income Housing Tax Credits and, in these cases, the PHA must maintain its interest in the property.

Another key element of RAD is its long-term contracts and their renewals. For RAD-converted units, the HUD Secretary must require long-term renewable use and affordability restrictions for assisted units. Upon expiration of the initial contract and at each renewal, the HUD Secretary must offer and the owner must accept renewal of the contract.

The final RAD did not include a mobility component, a feature of early iterations of RAD. The mobility component would have required that residents in converted units would, at some point after conversion, have the right to move with a housing choice voucher, and the rental assistance subsidy would also remain with the converted unit. It is expected that HUD will include some mobility component in its implementation of RAD in 2012.

Moving to Work. A key public housing issue is the Moving to Work (MTW) demonstration program that provides a limited number of housing agencies flexibility from most statutory and regulatory requirements. Because this demonstration program has not been evaluated and the potential for harm to residents and the long-term health of the PHAs are at stake, NLIHC has long held that the MTW program is not ready for expansion or permanent authorization. Various legislative vehicles have sought to maintain and expand the current MTW program. Today, there are more than 30 PHAs still performing their demonstrations. Some of the original MTW demonstration agreements have ended while the program has grown incrementally through language in the HUD appropriations bills. A 2011 House draft bill, the Affordable Housing and Self-Sufficiency Improvement Act (AHSSIA), would expand MTW status to potentially every PHA with few improvements to either protections for tenants or detailed evaluation instructions. As the AHSSIA bill moves forward in the House, a group of stakeholders is working on a potential expansion of MTW sites that will allow administrative flexibilities while maintaining key programmatic integrity regarding income targeting and affordability.

FUNDING

For FY12, the public housing capital fund is funded at \$1.88 billion. This is 8% below the FY11 level and 22% below the President's FY12 request. The bill's FY12 funding will limit PHAs' ability to address even capital needs that will occur in the current fiscal year, which would cost \$3.4 billion in FY12. The President has requested \$2.07 billion for FY13, a 10% increase over FY12 funding.

The FY12 HUD appropriations bill provides \$3.96 billion for the Public Housing Operating Fund but relies on HUD to offset the full amount of FY12 operating costs through PHA reserves. The bill authorizes HUD to offset no more than \$750 million in reserve funding to supplement the operating fund.

WHAT ADVOCATES NEED TO KNOW NOW

In addition to the need to fully fund the operating fund and make sufficient progress to address the massive capital needs backlog, many other public housing issues will be on the table in 2012. These issues include the minimum rent proposals put forth within the House's draft Affordable Housing and Self-Sufficiency Improvement Act bill and within the FY13 HUD budget request from the Obama administration. Other key programmatic issues will be the possible expansion of the Moving to Work demonstration and authorization of the Choice Neighborhoods Initiatives program.

WHAT TO SAY TO LEGISLATORS

Advocates should ask Members of Congress to:

- Maintain funding for the public housing operating and capital funds.
- Oppose mandatory increases to minimum rents.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

National Housing Law Project • 415 546 7000 • www.nhlp.org

Center for Budget and Policy Priorities • 202-408-1080 • www.cbpp.org

RESIDENT PARTICIPATION IN FEDERALLY SUBSIDIZED HOUSING

By Ed Gramlich, Regulatory Affairs Director, National Low Income Housing Coalition

Subsidized housing residents have important personal perspectives on how established and emerging subsidized housing policies impact their needs; consequently, they have good ideas about how their developments should be managed. Resident participation in all aspects of housing management is critical to the long-term success of federal housing programs.

HUD has three major programs that provide rent subsidies to approximately 4.4 million households nationwide. These programs are the public housing program, private multifamily HUD-assisted rent programs, and the Section 8 Housing Choice Voucher program. Each of these programs has its own set of challenges and opportunities related to resident participation.

PUBLIC HOUSING

There are a number of HUD policies that help support the participation of all public housing residents in public housing agency (PHA) decision making.

PHA Plan process. Opportunity for resident participation can be found in the annual and five-year planning process, collectively called the PHA Plan, required by the Quality Housing and Work Responsibility Act (QHWRA; pronounced 'kwa-ra'). Many PHAs only have minimal PHA Plan resident engagement requirements, but the process does open the door for residents and other community members to interact and influence PHA decisions.

Resident Advisory Boards. QHWRA created Resident Advisory Boards (RABs) to ensure public housing residents and voucher-assisted households can meaningfully participate in the PHA Plan process. RABs consist of residents who are elected to represent the population served by the housing agency. By law, PHAs must provide RABs with reasonable resources to enable them to function effectively and independently of the housing agency.

Part 964 Right to organize regulations. A federal rule provides public housing residents with the right to organize and elect a resident council to represent their interests. This regulation, Part 964 of Title 24 of the Code of Federal Regulations (24 CFR Part 964), spells out residents' rights to participate in all aspects of public housing development and operations. Residents must be actively involved in a PHA's decision-making process and give advice on matters such as maintenance, resident screening and selection, recreation, and modernization. The rule defines the obligation of HUD and PHAs to support resident participation activities through training and other activities.

A resident council is a group of residents who represent the interests of the residents and the projects they live in. Some

resident councils are made up of members from just one property, so a PHA could have a number of resident councils. Other resident councils, known as 'jurisdiction-wide' councils, are made up of members from many properties. A resident council is different from a RAB because the official role of a RAB is limited to helping shape the PHA Plan. Resident councils can select members to represent them on the RAB.

Funding for resident participation. Most PHAs are required to include funding for resident participation activities in their annual operating budget. This funding, an amount equal to \$25 per occupied unit per year, is distributed to resident councils to fund activities such as training and organizing.

Resident commissioners. The law also mandates that every PHA, with a few exceptions, have at least one person on its governing board who receives assistance from the agency (either a public housing resident or voucher holder). HUD's rule regarding the appointment of resident commissioners states that residents on boards should be treated no differently than non-residents.

Resident Opportunities and Self-Sufficiency program. HUD's Resident Opportunities and Self-Sufficiency program (ROSS) is designed to link public housing residents with supportive services, resident empowerment activities, and other assistance in becoming self-sufficient. Competitive grants under the ROSS program can be awarded to PHAs, resident councils, resident organizations, and other entities. ROSS funds have been appropriated annually by Congress, followed by a Notice of Funding Availability (NOFA) from HUD inviting eligible applicants to compete for the funds. Twenty-five percent of ROSS grants are set aside for formally recognized Resident Councils, but few ever apply for it. In FY12 the ROSS program was funded at \$50 million with a 25% set-aside for Resident Councils.

HOUSING CHOICE VOUCHERS (SECTION 8)

Approximately 2 million households receive tenant-based assistance through the Housing Choice Voucher Program. Housing Choice Voucher holders, often referred to as Section 8 voucher holders, are among the most difficult residents to organize because they can choose a private place to rent anywhere in the PHA's market, so are less likely to live close to or have contact with each other.

Participating in PHA Plan processes. At the local level voucher holders can play a key role in shaping PHA policies by participating in the annual and five-year PHA Plan process. PHAs make many policy decisions affecting voucher holders, such as setting minimum rents, developing admissions criteria, determining the amount of time a voucher holder has to search for a unit, preferences for people living in the PHA's jurisdiction, as well as creating any priorities for allocating newly available vouchers to categories of applicants (for example, homeless individuals, families fleeing domestic violence, working families, or those with limited English-speaking capability).

Participation on Resident Advisory Boards. Voucher holders can play an integral role in setting the agenda for local PHAs because the RAB regulations require reasonable representation of voucher holders on the RAB when there are a significant number of voucher holders assisted by the PHA. The PHA Plan process and the requirement that voucher holders be included on the RAB offer an excellent platform for organizing voucher holders in order to amplify their influence in the decision making affecting their homes.

PRIVATELY OWNED, HUD-ASSISTED MULTIFAMILY HOUSING (PROJECT-BASED SECTION 8 RENTAL ASSISTANCE)

Tenants' right to organize. Regulations, at 24 CFR Part 245, require owners of privately owned, HUD-assisted multifamily housing to recognize tenant organizations. A legitimate tenant organization is one established by tenants and independent of owners and management that represent all tenants, operates democratically, and meets regularly. The regulations recognize the right of tenants to leaflet, door-knock, post notices, and convene meetings without management present and without prior notice to or permission from management. Residents can invite outside organizers to assist them. HUD-funded organizers have the right to go into a building without a tenant invitation to help residents organize.

On June 18, 2010, HUD sent a letter to all owners and management agents highlighting key features of Part 245, emphasizing the right of tenants to organize and repeating the list of protected tenant organizing activities. Then on October 13, 2011, Policy Notice h 2011-29 was issued, repeating and elaborating on the content of the June 2010 letter, adding civil monetary penalties that HUD could impose on an owner or

manager failing to comply with Part 245. The civil monetary penalties regulation (24 CFR Part 30) allows HUD to assess fines on owners or management agents for major violations of tenants' right to organize.

Other HUD guidance includes HUD's Model Lease, which is applicable to all HUD tenants, and explicitly refers to the regulation's provisions about the right to organize. The Management Agent Handbook requires owners to recognize tenant unions and specifies management practices that would violate tenants' rights and therefore potentially result in HUD-imposed sanctions.

Resident Rights and Responsibilities is a resident-oriented HUD brochure explaining that tenants have the right to organize free from management harassment or retaliation. This brochure must be distributed annually to all HUD tenants.

In addition, over the years, Congress and HUD have expanded the formal process for tenant participation in decisions affecting HUD-assisted housing. For example, HUD must notify tenants about a pending auction or sale of their building if it is owned by HUD or is under HUD foreclosure, so that tenants can either submit a purchase offer as a nonprofit or limited-equity cooperative or support purchase by others. When owners choose to go into HUD's Mark-to-Market program, HUD is required to notify tenants prior to a first and second tenant meeting so that tenants can comment on the owner's plans to rehabilitate the building and change the financing.

Funding for resident participation. For a few years, Congress provided funds to help tenants organize, primarily so that they could understand and influence the future of their homes when a development's Section 8 contract expires.

The Outreach and Training Assistance Grant (OTAG) and Intermediary Technical Assistance Grant (ITAG) programs were established by Section 514(f) of the Multifamily Assisted Housing and Reform Affordability Act (MAHRAA), enacted in 1998. Section 514 requires HUD to establish procedures to provide opportunities for tenants to participate in rental assistance assessment plans and in the mortgage restructuring process during any proposed transfer of the property.

However, between FY01 and FY10 OTAG grants were not awarded, even though the statute requires up to \$10 million be set aside annually. (Funding was withheld due to concerns HUD had raised about administrative and accounting problems in the program, which are not believed to have been widespread.) These three-year grants went to locally based tenant organizing projects or nonprofit organizations to 'organize the unorganized' tenants at the city or state level.

For FY11 HUD issued a notice of fund availability (NOFA) making \$10 million available for a renamed and revised program called the Tenant Resource Network (TRN). TRN

Resident Participation in Federally Subsidized Housing

is designed to inform and engage tenants about their rights and options if their HUD-assisted private apartments are at risk of leaving the affordable housing stock. TRN will help to identify potential preservation strategies, or if preservation is not feasible, ensure that tenants are fully informed about protections available to them, such as receiving “enhanced vouchers” that enable them to remain in their homes. Nonprofit organizations with a minimum of five years of tenant outreach and organizing experience were eligible to apply for TRN funding to carry out tenant outreach at eligible projects

Eligible projects include those that are ‘at-risk,’ which means an FHA insured or direct mortgage will mature within 24 months; an owner decides to ‘opt out’ of or prepay a Project-based Section 8 contract within 12 months; or a property receiving REAC (physical inspection) scores below 60 for two consecutive months within the last year.

WHAT ADVOCATES NEED TO KNOW NOW

The number of PHAs that must complete PHA Plans has been substantially reduced by Congress. Furthermore, in 2008, HUD used its administrative powers to dramatically weaken the usefulness of the PHA Plan for residents and other community members.

WHAT TO SAY TO LEGISLATORS

- Fund the public housing Resident Opportunity and Self Sufficiency (ROSS) program at \$50 million in FY13.
- Reverse HUD’s administrative weakening of the PHA Plan and Congress’s ‘streamlining’ of the Plan’s requirements for 75% of the nation’s PHAs.
- Support resources that allow qualified and independent organizations to provide outreach and training to HUD assisted housing tenants threatened with the loss of their housing.

FOR MORE INFORMATION

National Alliance of HUD Tenants • 617-267-9564 • www.saveourhomes.org

National Housing Law Project • 415-546-7000 • www.nhlp.org

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

24 CFR Part 964, Tenant Participation and Tenant Organizing in Public Housing Regulations: www.gpo.gov/fdsys/pkg/CFR-2011-title24-vol4/pdf/CFR-2011-title24-vol4-part964.pdf.

HUD’s *Resident Rights and Responsibilities* brochure: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_12162.pdf.

24 CFR Part 245, Tenant Participation in Multifamily Housing Projects: www.gpo.gov/fdsys/pkg/CFR-2011-title24-vol2/pdf/CFR-2011-title24-vol2-part245.pdf.

RESOURCE EFFICIENT (AFFORDABLE) HOUSING

By Todd Nedwick, Assistant Director of Public Policy, National Housing Trust

There are multiple benefits from improving the resource efficiency of affordable housing.

Energy costs consume a disproportionate amount of low income families' budget. On average, higher income households spend 3% of their budget on energy costs, while lower income families spend 20% of their budget on household energy costs. This energy burden on low income families is up from 15% in 1998.

Low income seniors and children can be particularly sensitive to the health impacts of substandard, energy inefficient housing. Resource efficient housing can reduce the incidence of common colds, flues, chronic bronchitis, asthma and other environmentally related ailments.

Reducing energy costs helps to preserve affordable housing through lower operating costs and saves federal housing resources. HUD spends approximately \$5 billion annually to pay for utilities in its assisted housing programs and for utility allowances to voucher holders. Cost savings through energy efficiency improvements would free up resources and allow HUD to better support other housing needs.

PROGRAM SUMMARIES

There are several federal programs available to improve the resource efficiency of affordable housing. Economic recovery efforts greatly boosted these activities. The American Reinvestment and Recovery Act of 2009 (ARRA) provided an additional \$16 billion to the Department of Energy (DOE) and HUD to improve the energy efficiency of existing homes. In general, the recent activity in these programs reflects a new level of cooperation between HUD, DOE, and the Environmental Protection Agency (EPA) on green housing issues.

Weatherization Assistance Program (WAP). The WAP program is administered by the Department of Energy (DOE) in partnership with state government agencies and over 900 local service providers. WAP provides grants to improve the energy efficiency of homes occupied by low income homeowners and renters. Designated state agencies receive the funding and distribute it among local providers. Local providers or sub-grantees (often community action agencies or housing nonprofits) are responsible for applicant intake and oversee the implementation of services by construction contractors. On average, the program reduces energy consumption for low income families by up to 35%, saving them more than \$400 annually on their energy bills.

Eligibility is restricted to low income households defined as having an income at or below 200% of the federal poverty threshold. Households with elderly or disabled individuals or young children are often prioritized for funding.

The program received a significant increase in funding through ARRA, but faces steep budget cuts once the ARRA funds are

expended. Established by the 1976 Energy Conservation and Production Act, WAP was traditionally funded at \$250 million a year prior to the passage of ARRA and was responsible for improving the energy efficiency of approximately 100,000 housing units annually. ARRA provided \$5 billion for the WAP program to be spent over a three-year period. DOE set a goal of weatherizing 600,000 units through ARRA funding by the end of March 2012. On December 16, 2011 DOE announced that it had reached this goal. Despite this progress, FY12 appropriations included a 63% cut to the program's previous regular year funding level.

While nearly half of all households that are income eligible for WAP reside in rental housing, WAP has traditionally served primarily single-family properties. However, a number of programmatic changes have recently been made to improve service delivery to low income multifamily rental buildings. HUD Secretary Shaun Donovan and DOE Secretary Steven Chu signed a Memorandum of Understanding (MOU) in the spring of 2009 with the goal of streamlining program rules and regulations for multifamily rental housing (defined as 5 or more units per building). Subsequently, DOE has implemented a number of policy changes to reduce obstacles to multifamily weatherization. Some of the more significant policy changes include the following:

- On January 25, 2010, DOE implemented a new rule to reduce the administrative burden of income verifying all units in federally assisted multifamily buildings. Under the new rule, DOE published a list of buildings that HUD has identified to meet certain income eligibility requirements without the need for further evaluation or verification. This rule has substantially reduced the time and energy that must

be spent applying for these funds.

- On April 8, 2010, DOE announced that long-term affordable housing preservation can be used to demonstrate that the benefits of weatherization accrue primarily to the tenant. This guidance helped resolve a major obstacle that has prevented multifamily weatherization from occurring in many states. In order for a multifamily building to qualify for weatherization services, it must be shown that the tenant will directly benefit from the work. It is up to each individual state and local weatherization grantee to establish criteria for making this determination. If tenants pay directly for energy, the accrual of benefits requirement can be assured by demonstrating a reduction in the tenants' energy bills. However, in some cases tenants do not pay directly for energy. In the past, many states and local weatherization grantees have determined that these properties fail to meet the tenant benefit test and have excluded them from the program. DOE's guidance makes it clear that state and local grantees can take into consideration several categories of benefits to demonstrate that the benefits of weatherization accrue primarily to tenants, including, but not limited to longer term preservation of the property as affordable housing.
- In December 2010, DOE issued new policy guidance informing states that they are not to exclude multifamily housing in their plans for spending Weatherization Assistance Program (WAP) funds. According to DOE, states that expressly exclude multifamily buildings from their WAP plans are acting contrary to the intent of the program, which is to provide energy saving services to low income persons who live in all types of housing.

As a result of these and other policy changes, more than 125,000 low income multifamily homes have been weatherized since the ARRA program began.

Additional DOE Programs. The remaining portions of the \$16 billion in ARRA are in two DOE programs. The first is the DOE Energy Efficiency and Conservation Block Grants (EECBG) program, which received \$3.2 billion and is modeled after the Community Development Block Grant program. The EECBG program provides funding to states, cities, counties, and tribal governments to undertake projects, including green building related activities such as (1) building energy audits and retrofits, including weatherization; (2) financial incentive programs for energy efficiency; (3) building code development, implementation, and inspections; (4) installation of distributed energy technologies, including combined heat and power; and (5) district heating and cooling systems. The second DOE recipient of the remaining ARRA funds was the State Energy Program (SEP), which is directed to state energy offices. SEP received a \$3.1 billion infusion. These funds are used to address state energy priorities and provide funding to adopt emerging renewable energy and energy efficiency technologies in the state.

HUD Green Affordable Housing Programs. In addition to the DOE-HUD WAP MOU, HUD is implementing additional programs and tools to increase the energy efficiency of affordable housing.

Green Retrofit Program. ARRA provided \$250 million to HUD for the Green Retrofit Program to reduce energy costs, cut water consumption, and improve indoor air quality in privately owned, federally assisted Section 8, 202, and 811 multifamily properties. Grants and loans provided to property owners to implement a range of resource efficiency improvements including installing more efficient heating and cooling systems and replacing faucets and toilets. Nearly 20,000 apartments are expected to receive improvements through the program. The program has not received any additional funding since ARRA.

Public Housing Capital Funds. HUD also received \$4 billion through ARRA to renovate and upgrade public housing, with 'greening public housing' one of the program's stated objectives. These funds can be used for a variety of purposes, including energy-efficient appliances, green space, surface water management techniques that retain runoff on site, water conservation, energy-efficient new construction and renewable energy resources. Of the funding, \$3 billion was released to 3,100 public housing agencies according to the standard Public Housing Capital Fund formula. An additional \$1 billion was awarded by competitive grants, \$600 million of which was specifically reserved for greening public housing. The competitive funds were distributed to more than 150 public housing agencies in September 2009.

Green Refinance Plus. On May 31, 2011 HUD announced the Green Refinance Plus program administered by the Federal Housing Administration (FHA) and Fannie Mae. The program helps owners of rent-restricted multifamily properties to refinance into new mortgages while allowing owners to borrow additional funding to make property improvements that will reduce energy and water use. FHA and Fannie Mae share the risk on the loans to refinance the mortgages. The program is expected to complete \$100 million in loan refinance volume and provide an average of \$150,000 to \$250,000 for improvements per property.

HUD Energy Innovation Fund Multifamily Pilot Program. In September 2011, HUD announced the availability of \$25 million for the Energy Innovation Fund for a Multifamily Energy Pilot. The purpose of the pilot is to catalyze replicable innovations in the residential energy efficiency sector and to help create a standardized home energy efficient retrofit market. The stated goals of the program are to: (1) demonstrate solutions to the primary and longstanding challenges to implementing energy efficiency and renewable energy improvements in existing affordable multifamily properties; (2) leverage private capital and additional public funding to demonstrate 'proof of concept' of specific models; and (3) conduct applied research to document and disseminate

mainstream, scalable approaches to retrofitting affordable multifamily properties.

PowerSaver Pilot Program. FHA has also launched a new mortgage insurance program aimed at helping homeowners to make energy efficiency improvements. FHA is partnering with eighteen national, regional and local lenders to offer qualified borrowers up to \$25,000 in low-cost loans to make energy-saving improvements to their homes. The program offers a range of eligible improvements including improved insulation, duct sealing, replacement of doors and windows, HVAC systems, water heaters, solar panels and geothermal systems.

WHAT ADVOCATES NEED TO KNOW NOW

Improving the resource efficiency of affordable housing has been shown to have multiple benefits for low income families, local economies, and the environment. Funding through ARRA and innovative new financing pilots has resulted in progress towards addressing the energy efficiency needs of low income housing. However, there remains a significant stock of older affordable housing that is resource inefficient and in need of upgrades. Although 125,000 low income multifamily properties have been weatherized through the HUD-DOE WAP partnership, this amounts to less than 4% of HUD's public and assisted housing stock. As the ARRA program comes to an end, DOE and HUD energy efficiency programs face steep funding cuts or no funding at all. This decrease in resources will make it difficult to sustain the progress that has been made over the last few years.

TIPS FOR LOCAL SUCCESS

- Local advocates can encourage public housing agencies and private owners to pursue green housing in renovation, rehabilitation, and new development projects and make certain they are aware of available resources to implement these improvements.
- Local advocates can pursue non-federal funding sources for residential energy efficiency improvements. For example, private utilities spend nearly \$6 billion annually on energy efficiency improvements in buildings.
- Local advocates also have a role in making certain that residents are included in the planning and implementation of the green aspects of their developments. This will both assure that the proposals benefit residents, and will increase the likelihood that tenants will understand the changes and maximize the efficiency and other benefits, thus increasing the likelihood of success.
- Advocates should also reach out to environmental, energy, and transit advocates to find common ground to create a stronger progressive coalition for green communities and to assist in making certain green investments and benefits reach the lowest income households.

ISSUE FACTS

- Energy efficiency upgrades in affordable housing are a cost-effective approach to lowering housing operating expenses, maintaining affordability for low income households, reducing carbon emissions, creating healthier, more comfortable living environments for low income families, and spurring green job development.
- Significant progress has been made towards the greening of affordable housing with funding provided through the federal stimulus American Recovery and Reinvestment Act (ARRA).
- As ARRA funding expires, there remains a significant unmet need for resources to improve the energy efficiency of affordable housing.

WHAT TO SAY TO LEGISLATORS

- It is important to support increased green building and energy efficiency requirements in federally assisted housing that do not increase the housing cost burden of low income tenants, limit the usefulness of the properties to the lowest income households, or hinder the preservation of existing units.
- Energy efficiency and other green investments in low income housing will provide considerable public and environmental benefits, as it is likely to be older housing that is in need of maintenance, with tenants and often owners who lack sufficient resources to make their own investments in greening.
- Investments in energy efficiency in programs such as public housing and assisted housing provide an immediate return to the U.S. Treasury by reducing HUD-paid utility costs.

FOR MORE INFORMATION

National Housing Trust • 202-333-8931 • www.nhtinc.org

EPA's Green Building • www.epa.gov/greenhomes/index.htm

DOE's Green Building • www.eere.energy.gov/topics/homes.html

HUD's Green Building • www.hud.gov/offices/cpd/affordablehousing/training/web/energy/help/green.cfm

Enterprise Community Partners • www.greencommunitiesonline.org

Global Green USA • www.globalgreen.org

U.S. Green Building Council • www.usgbc.org

SECTION 202 SUPPORTIVE HOUSING FOR THE ELDERLY

By Nancy Libson, Director of Housing Policy, LeadingAge (formerly American Association of Homes and Services for the Aging)

The Section 202 Supportive Housing for the Elderly program provides capital and operating funds to nonprofit organizations that develop and operate housing for seniors with very low incomes. As the U.S. population ages, both the creation of new Section 202 units and the preservation of existing units will be increasingly important.

There are three current issues related to the Section 202 program: an anticipated proposal by the Administration to reform the capital advance program in FY12, a growing demand for units, and the preservation of senior housing.

ADMINISTRATION

The Section 202 program is administered by HUD's Office of Housing Assistance and Grant Administration under the Assistant Secretary for Housing/FHA Commissioner.

HISTORY AND PURPOSE

The Section 202 program was established under the Housing Act of 1959. Enacted to allow seniors to live with dignity by providing assistance with housing and supportive services, the program has gone through various programmatic iterations during its lifetime before taking the form it does today. Prior to 1974, Section 202 funds were 3% loans that may or may not have had either Section 8 or rent supplement assistance for all or some of the units. Between 1974 and 1990, Section 202 funds were provided as loans and subsidized by project-based Section 8 contracts. Until the creation of the Section 811 program in 1990, the Section 202 program funded housing for both seniors and people with disabilities.

According to HUD, senior households with very low incomes are the likeliest to pay more than they can afford for their housing. The 2009 HUD study of worst case housing needs found that the number of senior rental households with worst case housing needs is 18.7%, or 1.33 million, of the estimated 7.10 million households with worst case housing needs.

PROGRAM SUMMARY

The Section 202 Supportive Housing for the Elderly program provides capital and operating funds to nonprofit organizations, known as sponsors, that develop and operate senior housing. Many Section 202 project sponsors are faith-based groups.

The Section 202 grant program has two main components: a capital advance that covers expenses related to housing construction, and operating assistance that supports the buildings' ongoing operating costs. Both the capital and operating funding streams are allocated to nonprofits on a competitive basis, through a HUD Notice of Funding Availability (NOFA).

Capital funding. The first component of the Section 202 program provides capital advance funds to nonprofits for the construction, rehabilitation, or acquisition of supportive housing for seniors. These funds can now be augmented by tax credit debt and equity to either build additional units or supplement the capital advance as gap financing in so-called mixed finance transactions. The Section 202 program is HUD's largest directly funded construction program; however, the capital advances rarely support 100% of the construction costs.

Operating funding. The second program component provides rental assistance in the form of Project Rental Assistance Contracts (PRACs) to subsidize the operating expenses of these developments. Residents pay rent equal to 30% of their adjusted income, and the PRAC makes up the difference between rental income and operating expenses.

In addition to the core components of the Section 202 program, HUD administers four relatively new companion programs that have been established by Congress to help meet the needs of seniors aging in place:

- (1) Predevelopment grants to help nonprofits use Section 202 funds effectively.
- (2) Assisted living conversion program to help meet the great need for affordable assisted living options for low income seniors.
- (3) Emergency capital repair grants for federally assisted senior properties.
- (4) Service coordinators.

About a third of Section 202 properties have a service coordinator funded as part of the Section 202 appropriation. These HUD grants provide funding for full-time service coordinators who assist Section 202 residents and low income elderly or disabled families living in the vicinity of Section 202 properties. Service coordinators assess residents' needs, identify and link residents to services, and monitor the delivery of services. The older Section 202 properties are eligible for grant funding, while the Section 202/PRAC properties may

include the cost of service coordinators in their operating budgets if funds are available.

Section 202 tenants generally must be at least 62 years old and have incomes less than 50% of their area median income (AMI) qualifying them as very low income. Some facilities have a percentage of units designed to be accessible to non-elderly persons with mobility impairments or may serve other targeted disabilities. The average age of a Section 202 resident is 79, and nearly 39% of residents are over the age of 80. The average annual income of a resident is little more than \$10,000. There are more than 400,000 Section 202 units serving very low income seniors.

FUNDING

In FY10, Congress appropriated \$582 million for new Section 202 construction and project rental assistance and an estimated \$93 million for PRAC renewals. In addition, the FY10 appropriation included \$20 million for Section 202 predevelopment grants, \$90 million for service coordinators, and \$40 million for assisted living conversion and emergency capital repair grants. The total appropriation for all Section 202 authorities is \$825 million.

WHAT ADVOCATES NEED TO KNOW NOW

There are three main issues confronting the Section 202 program:

Funding in FY11 and FY12. In FY11, the Administration requested only \$273.7 million to cover the costs of PRAC renewals, amendments, and \$90 million for service coordinator grants and renewal of Congregate Housing Services programs; there would not have been any funding for the capital advance program. Although all HUD programs are operating under the Continuing Resolution (CR), both the House and Senate would have appropriated \$825 million for the Section 202 program had the omnibus appropriation bill passed.

The budget proposal for FY11 recommended suspending the capital advance program pending reforms to the program that according to HUD would have:

- Ensured meaningful impact of dollars awarded.
- Raised thresholds for sponsor eligibility to ensure the award of funds only to organizations with unique competency to achieve the program goals.
- Streamlined processing to speed development timeframes.
- Better facilitated supportive services provided by health related Medicaid/Medicare Waiver programs and the Program of All-inclusive Care for the Elderly (PACE) model services to 202 project residents.
- Encouraged better leveraging of other sources of funding, such as low income housing tax credits.

Advocates believed, and the House and Senate appropriators agreed, that HUD has the ability to make many of the needed reforms administratively, without waiting for reform

legislation to pass. The NOFA for 2010 funding was released March 5 and includes some administrative changes that reflect HUD's thinking.

After convening stakeholder meetings in the spring of 2010, HUD developed draft legislation for comment that was released in October 2010. That legislation was designed to address the realities of the budget environment, the realities of the affordable housing development climate, and the need for long term services and supports for a growing senior population that envisions aging in place in affordable housing communities. It anticipated that 202 funds would be targeted to frail elders. It was not formally presented to Congress for introduction, but many of the issues addressed in the draft legislation will be included in a new but slimmed down legislative proposal that will reflect the comments received and the new legislative realities of the 112th Congress. The legislation will be intended to stretch the dollars available, make the rental assistance cover both operating costs and debt service, encourage and reward leverage, and to ensure that supportive services are available for frail elders.

Growing demand for increases in the supply of affordable senior housing.

A lack of adequate new Section 202 construction funds means that the growing demand for affordable senior housing will not be met. The senior population is expected to double to 70 million by 2030 with the most growth among those over 85. Over the last several years, the funding available for new construction of Section 202 units has produced fewer than 4,000 units each year, many fewer than are needed to meet the growing demand. A recent HUD study has recommended that 10,000 Section 202 units be produced each year for the next 10 to 15 years to serve the growing senior population as an important and cost-effective alternative to premature placement in institutional settings, and necessary where states are engaged in transitioning seniors from costly nursing homes to the community. An AARP study released in January 2006 estimates that there are 10 residents for every one unit that becomes available.

At the very least, \$825 million is needed in the final budget for FY11 and for FY12 for construction and project rental assistance contracts (PRACs) alone. Although insufficient to meet the needs of the growing elderly population, this will allow construction of approximately 7,500 new units as the current program is structured. If required leverage is built into the program, the unit count will change.

In addition, in FY11 and FY12, \$20 million will be needed for grants to nonprofits to cover costs of architectural and engineering work, site control, and other planning relating to the development of Section 202 housing. Federal assistance with these costs can ensure the timely development of quality housing. HUD's draft legislative proposal recommended changing the pre-development grants into planning grants equal to no more than 5% of the total appropriated for the capital advance program.

Preservation of existing units. Those currently residing in assisted senior housing are aging in place. Just as the residents are aging in place, the buildings themselves are aging and lack the amenities to provide supportive services. Further, the problems of low income seniors facing multi-year housing assistance waiting lists are only exacerbated by the shrinking supply of suitable, affordable housing as some owners sell their properties to new owners who will convert existing units to market-rate housing at the end of the original mortgage term. Finally, the oldest Section 202 mortgages are nearing the end of their mortgage terms. Some mortgages have been refinanced and some properties have already been sold out of the inventory. Legislation was enacted in the recently completed lame duck session of Congress to make preservation of Section 202 properties easier to accomplish including providing authority for new project based assistance for oldest cohort of 202 properties that typically have no rental assistance. New tools are needed to help preserve these units, as well as the Section 202 properties with project-based section 8 that can be refinanced, and to provide the supportive services that are so necessary for an aging population. Tools that should be enacted or implemented include exit tax relief to remove the disincentives that existing for profit owners have in selling properties to nonprofits and others who would preserve the housing as affordable housing, and new capital and rental assistance programs to encourage the preservation of housing with maturing mortgages as affordable housing in the future.

WHAT TO SAY TO LEGISLATORS

Advocates concerned with senior housing issues should encourage their Members of Congress to take the following actions:

- Support funding for Section 202 capital advances and new PRAC.
- Support the Section 202 program as a platform for the delivery of supportive services and increase funding for service coordinators.
- Provide sufficient renewal funding for all expiring PRACS and Section 8 contracts, and support an advance appropriation for PRAC amounts in FY12 to preserve affordable senior housing.
- Enact preservation legislation to protect affordable senior housing and its residents in the future.
- Enact preservation legislation to address the unique issues of senior housing with mortgages that will soon mature.

FOR MORE INFORMATION

LeadingAge 202 508-9447 • www.leadingage.org

SECTION 3: JOB TRAINING, EMPLOYMENT & BUSINESS OPPORTUNITIES RELATED TO HUD FUNDING

By Catherine M. Bishop, Staff Attorney, National Housing Law Project

Section 3, Economic Opportunities for Low and Very Low Income Persons, requires recipients of HUD housing and community development funding to provide “to the greatest extent feasible” job training, employment, and contracting opportunities for low and very low income residents and eligible businesses.

The Section 3 obligation is too often ignored by the recipients of the HUD funds and not enforced by HUD or the local recipients; therefore the potential of the program is unrecognized or underused by low and very low income workers and qualified businesses and their advocates. However, both lawmakers and current HUD officials have expressed interest in strengthening the program in recent years.

ADMINISTRATION

Oversight responsibility for Section 3 rests with HUD’s Office of Fair Housing and Equal Opportunity. HUD is charged with monitoring and determining if local recipients of HUD housing and community development funds are meeting their obligations. In addition, those local recipients have the responsibility to ensure that the obligations and goals of Section 3 are met by local contractors.

HISTORY

The Section 3 obligation was created as part of the Housing and Urban Development Act of 1968, which at the time was described as “the most farsighted, the most comprehensive, the most massive housing program in all American history.” Section 3 was a component of that act which strove to improve the quality of life of all Americans. The Section 3 statute has been amended four times; each time the amendments primarily sought to expand the reach of Section 3 and to benefit low income families. Nevertheless, the potential of this program has largely been ignored throughout its history.

PROGRAM SUMMARY

Section 3 is a federal obligation that is tied to HUD funding. It applies to all HUD funding for public housing and Indian housing, such as the public housing operating fund and capital fund, Resident Opportunity and Self-Sufficiency (ROSS) grants, Family Self-Sufficiency (FSS) grants and HOPE VI. Section 3 also applies to other housing and community development funding including Community Development Block Grant (CDBG), HOME, Housing Opportunities for Persons with AIDS (HOPWA), and Neighborhood Stabilization Program (NSP) funds. The Section 3 requirement states that recipients of HUD housing and community development funding must provide “to the greatest extent feasible” job training, employment, and contracting opportunities for low and very low income residents and Section 3 businesses.

HUD regulations set numerical goals for all entities subject to Section 3. Low and very low income individuals should be provided with a preference for at least 30% of all new hires that arise from the HUD funding. At least 10% of the total dollar amount of all Section 3 contracts for building trades work and 3% of all other contracts should be for Section 3 businesses. A Section 3 business is defined as a business owned by low income individuals, or which hires a substantial number of low income individuals, or which commits to contract at least 25% of the dollars awarded to Section 3 businesses.

Among eligible low income job applicants or Section 3 business contractors, preferences must be given to public housing residents or businesses owned by public housing residents, HUD Youthbuild participants, residents of the neighborhood or businesses that provide economic opportunities to individuals in the neighborhood, and homeless individuals. A preference should mean that if the Section 3 business or individual meets the job qualifications or the bid requirements, the individual should be hired or the business should get the contract.

For both public housing and the other housing and community development funding, the Section 3 obligation is applicable to the entire project regardless of whether the funding subject to the Section 3 obligation is sufficient for the entire project. For example, a project may receive funds from many sources, public and private, but if there are any public housing funds in the project, the Section 3 obligation applies to the entire project.

For public and Indian housing funding, Section 3 is applicable to any jobs and contracting opportunities that arise in administration, management, service, maintenance and construction. For the other housing and community development funding, Section 3 is applicable to jobs that arise in connection with construction or rehabilitation and only if the funding is more than the established threshold. Examples of eligible types of other housing and community development

projects include housing construction or rehabilitation; public works projects, such as waterfront redevelopment; retail and restaurant development, landscaping, development of entertainment facilities and other related infrastructure.

One HUD administrative decision regarding the program is of special note. In April 2004, HUD issued a decision that the city of Long Beach, CA, violated Section 3 because Section 3 new hires worked significantly less than 30% of the hours worked by all new hires. This decision is important because the standard of 30% of new hires can be easily manipulated with a hiring surge at the end of the contract period and frustrate the purpose of Section 3. Using the standard of 30% of the hours worked each year by the new hires is much better and is consistent with the Section 3 goal of creating employment opportunities for low income individuals to the “greatest extent feasible.”

Section 3 complaint procedure. There is a HUD-established complaint procedure for individuals and businesses to use for violations of Section 3. Complaints are filed with HUD’s Office of Fair Housing and Equal Opportunity. HUD has responded favorably to some complaints that have been filed. There is no publicly available data on the number of complaints that have been filed or their resolution.

WHAT ADVOCATES NEED TO KNOW NOW

Enforcement of the Section 3 goals. The potential for jobs for low income residents under Section 3 is significant. In the past, when funding for public housing construction and rehabilitation, including HOPE VI, was nearly \$3 billion, some estimated that there should have been in excess of 16,000 jobs annually for public housing residents.

However, a 2003 HUD Inspector General (IG) report found that HUD had not implemented sufficient controls over the prior 37 years to ensure that Section 3 goals are met. For example, although HUD requires that recipients of HUD financial assistance subject to Section 3 requirements submit an annual performance report, HUD historically did not track agencies or localities subject to Section 3 requirements and did not adequately respond to lack of compliance with the reporting requirements.

Beginning in 2009, HUD began to change course, responding to policy positions advocates have promoted for years. Specifically, HUD has begun to act more aggressively to require recipients of all housing and community development funds to file HUD form 60002, the annual report regarding Section 3 outcomes. HUD form 60002 provides some very basic information for each agency and local program, such as HOPE VI, CDBG, and the public housing capital fund, regarding the number of Section 3 individuals hired and the amount of contract dollars committed to Section 3 businesses. Also, HUD announced in the general requirements for the FY09 Notice of Funding Availability (NOFA) and sent notices to all recipients of HUD funds that failure to file the form could result in sanctions.

HUD reports that in 2009 and 2010 it received substantially more forms than previously and has issued a list of those jurisdictions that have submitted form 60002. Now, issues for advocates include how HUD will use the information it is receiving, what HUD will do if a local agency reports no or too few new Section 3 hires or no or too few dollars under contract with Section 3 businesses, and what HUD will do if local agencies continue to ignore the reporting requirements or fill out the form inadequately.

In FY10 HUD continued to increase its focus on Section 3. It issued guidance for recipients of NSP funds on compliance with Section 3. In addition, HUD improved the HUD NOFA process by informing applicants that it was interested in proposals that focus on skills training and partnerships with community-based organizations to develop pathways to career ladders for low income populations. The FY10 NOFA states that HUD is interested in outcomes “beyond just the number of jobs created.” To be consistent with these efforts, HUD should also revise the Section 3 regulations (24 C.F.R.Part135) in line with the decision it issued regarding the City of Long Beach, which considered the number of hours worked by all new employees as compared to the hours worked by all new Section 3 hires.

Section 3 reform legislation. Representative Nydia Velazquez (D-NY) has sought to improve Section 3. In 2007 she introduced H.R. 3310, and in 2009, she circulated and held hearings on a revised draft bill, the Earnings and Living Opportunities Act (ELOA). The revised draft ELOA bill is a good start at addressing some of the weaknesses of Section 3, in that it changes the scope of Section 3 to cover a percentage of hours worked by all employees on Section 3 eligible projects, not just a percentage of new hires; allows residents to retain their Section 3 designation for five years, so as to assist with the creation of long-term job opportunities; and makes Section 3 applicable to all permanent jobs created as a result of HUD funding. It also increases monitoring and compliance by requiring that Section 3 committees be created within each PHA, that contractors submit a plan as to how they will comply with Section 3, and increases the obligation of recipients of HUD funds and HUD to report on compliance and to authorize individuals to enforce Section 3.

In addition, Ms. Velazquez introduced H.R. 4224, the Together We Care Act of 2009, which was incorporated as Title IV of H.R. 5814, the Together We Care Act of 2010. Title IV of H.R. 5814 proposed to establish a pilot program to provide home health care service training for public housing residents. If enacted, the residents would receive training to provide such services to other public housing residents or other residents of HUD-assisted multifamily housing who are disabled or elderly. The bill proposed providing \$2.5 million annually for three years for grants to public housing agencies, community health care agencies, faith based organizations, or labor groups to create an employment training program. Trainees could also receive services such as health care, transportation, and child care.

To support trainees increase their income and maintain housing stability, certain increases in income would not be considered when evaluating housing eligibility for a period of time. Grants would be awarded based upon the number of persons served who are elderly or disabled, and the number of residents trained who are currently unemployed or underemployed. Grantees would have to demonstrate ability to provide high-quality care through the training.

FUNDING

The number of jobs created or contracts provided to Section 3 individuals or businesses depends upon the level of funding for the applicable housing or community development program. There has been no independent funding for Section 3. Therefore, it is important to support full funding of housing programs for FY11 because of the benefits of jobs and economic opportunities in addition to the housing benefits. The FY10 HUD NOFAs have increased the focus on Section 3 outcomes including long-term job creation for low income individuals.

TIPS FOR LOCAL SUCCESS

The successes of Section 3 are almost exclusively attributed to local staff of recipient agencies implementing the goals, and to oversight, monitoring and advocacy by local advocates and community groups.

Advocates should contact local unions, resident organizations, minority and women-owned businesses, community development corporations and employment and training organizations to discuss how they and their members or clients can use the Section 3 goals and preferences to increase employment and contracting opportunities for the targeted low and very low income individuals and Section 3 businesses.

In addition, advocates should meet with local PHAs and other local recipients of housing and community development dollars (often cities and counties) to discuss whether they are meeting their Section 3 obligations with respect to public housing funds, CDBG, HOME, and NSP funds. Locally, advocates should seek information on the number of low and very low income individuals trained and hired in accordance with Section 3, the dollar amounts contracted with Section 3 businesses, and to create or improve upon a local plan to fully implement Section 3. Because of the new initiative to get recipients to submit the HUD form 60002, advocates should ask local recipients of HUD funds or HUD for copies of the submitted forms. For those jurisdictions that receive NSP funds, the jobs reported on the HUD form 60002 should be compared with the jobs that the local jurisdiction reports as created due to the expenditure of these funds.

Compliance with Section 3 could be addressed in the annual PHA plan process or the Consolidated Plan (ConPlan) process. In addition, reviewing the quarterly NSP reports could also provide an opportunity to address Section 3 compliance and issues.

If compliance is a problem locally, advocates should urge HUD to monitor and conduct a compliance review of the non-complying recipients of federal dollars for housing and community development, including public housing agencies and local community development agencies. Low income persons and businesses with a complaint about recipients of HUD funds or contractors' failure to comply with or meet Section 3 goals or preferences should consider filing a complaint with HUD.

WHAT TO SAY TO LEGISLATORS

Advocates should encourage Ms. Velazquez to reintroduce the Earnings and Living Opportunities Act (ELOA) bill, which is designed to address some of the weakness in the Section 3 program. They should also encourage their member of Congress to inform Ms. Velazquez of their interest in Section 3 and to inform her of the member's willingness to cosponsor the bill and to support it when introduced. In addition, advocates should urge Ms. Velazquez to reintroduce the Together We Care Act and request their member of Congress to support it.

FOR MORE INFORMATION

For more information and the complaint forms, go to www.hud.gov/offices/fheo/section3/section3.cfm and at <http://nhlp.org/resourcecenter?tid=115>

See the NHLP publication, *An Advocate's Guide to the HUD Section 3 Program: Creating Jobs and Economic Opportunity*, and other materials available at: <http://nhlp.org/resourcecenter?tid=115>

National Housing Law Project • 415-546-7000 • www.nhlp.org

SECTION 811 SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES PROGRAM

By Gina Schaak, Associate, Lisa Sloane, Senior Associate, Technical Assistance Collaborative

Section 811 Supportive Housing for Persons with Disabilities is a federal program that assists the lowest income people with the most significant and long-term disabilities to live independently in the community by providing affordable housing linked with voluntary services and supports.

Congress passed major reforms to the Section 811 program in 2010 with strong bipartisan support. The reforms will create thousands of new highly integrated Section 811 units more efficiently. The most significant reform to the Section 811 Program, the PRA Option, will be implemented by HUD through a NOFA in 2012.

ADMINISTRATION

The Section 811 program is administered by HUD's Office of Assisted Housing.

HISTORY

Over the past two decades, the Section 811 program has created more than 30,000 new supportive housing units, primarily through the development of group homes and independent living projects, under regulations and guidelines developed in the early 1990s. Since that time, when judicial decisions affirmed important community integration mandates in the Americans with Disabilities Act, disability housing and services policies have evolved significantly to emphasize consumer choice, Medicaid-financed community-based services and integrated housing opportunities. The Section 811 program did not keep pace with these improvements in community living for people with disabilities, which reduced demand for Section 811 funding. By 2007, the program produced fewer than 1,000 new units of new Section 811 housing annually. That year, facing an enormous unmet need for permanent supportive housing and with Section 811's future hanging in the balance, national disability advocates began a successful three-year legislative campaign to reform, improve and reinvigorate this important permanent supportive housing program. The Section 811 legislation signed into law by President Obama in early 2011 honors the memory of Frank Melville, who was the first chair of the Melville Charitable Trust and a national leader in the supportive housing movement.

PROGRAM SUMMARY

The revitalized Section 811 program will stimulate a continuous, systematic and state-oriented approach to the creation of integrated supportive housing units. These Section 811 reforms are intended to promote a national expansion of integrated supportive housing by fostering partnerships among state housing and health and human service agencies to leverage mainstream affordable housing, Medicaid and related community-based support services resources, and to ensure people with disabilities most in need can access these new supportive housing opportunities.

The reformed Section 811 program (1) provides a strong statutory foundation for community integration, tenancy rights, and voluntary services and supports in permanent supportive housing, including service programs that emphasize personal autonomy and choice; (2) authorizes new program options consistent with these goals; and (3) adopts new project selection criteria to leverage other sources of affordable housing development capital. This policy substantially lowers the cost of creating a Section 811 unit, and helps fund more units from Section 811 appropriations.

The reformed Section 811 program includes two different approaches to create permanent supportive housing: the Modernized Capital Advance/Project Rental Assistance Contract (PRAC) option, and the PRA option. Both options provide affordability for people with disabilities with the lowest incomes by (1) ensuring that tenants pay no more than 30% of their adjusted income for rent, and (2) providing a long term operating subsidy contract from HUD (either a PRAC or PRA contract) to cover housing operating costs (i.e. property insurance, maintenance and repairs, owner-paid utilities, replacement reserves, etc.) which cannot be covered by tenant rents.

The innovative PRA option facilitates the creation of integrated supportive housing units in multifamily affordable housing properties. The PRA approach has more narrow income targeting criteria than the Capital Advance/PRAC option as it limits eligibility to extremely low income people with disabilities, at or below 30% of Area Median Income (AMI), in need of permanent supportive housing. This option will provide a contract for Section 811 PRA for supportive units included in multifamily rental housing developments, but will not provide Section 811 Capital Advance funds. Eligible PRA applicants include state housing finance agencies and "other appropriate entities," which will be defined by HUD regulation. Applicants will not be required to specify the actual projects that will include Section 811 units but will be required to describe the policies in place to select units that will receive PRA assistance. Policies that meet this requirement include a state's Qualified

Allocation Plan for federal Low Income Housing Tax Credits (LIHTC) and possibly a state or local Consolidated Plan.

Units can be located in new or existing multifamily properties. Applicants for the Section 811 PRA option are required to enter into an agreement with the state health and human services and Medicaid agencies. This agreement must identify the target population and the outreach and referral process for the Section 811 units, and ensure the availability of voluntary supportive services for Section 811 tenants. No more than 25% of the total number of dwelling units in any project receiving Section 811 PRA may be used for supportive housing or have an occupancy preference for people with disabilities.

FUNDING

The FY12 budget provides \$165 million for the Section 811 program, includes \$90 million in funds for all Section 811 PRAC renewals and amendments as well as an estimated \$75 million for new units. The FY12 appropriations language requires any new Section 811 units to be created through the new PRA option and does not allow any funding for new Section 811 Capital Advances. It is estimated that up to 2,500 new Section 811 PRA units can be created under this option in FY12.

WHAT ADVOCATES NEED TO KNOW NOW

The reformed Section 811 program inaugurates a new and transformative period in federal permanent supportive housing policy. There are several things advocates can do to pave the way for the new and improved Section 811 program. First, advocates should become familiar with the significant changes that have been made to the Section 811 program (additional information can be found at <http://811resourcecenter.tacinc.org>). Second, because the Section 811 program receives strong bipartisan support in Congress, advocates can build on that support to request funding to create at least 2,500 new units in FY13. Third, advocates should also be prepared to submit public comment when HUD publishes NPRM in 2012. Most importantly, advocates can work within their own states to ensure Section 811 resources are made available through their state housing finance agency (see below).

TIPS FOR LOCAL SUCCESS

Early in 2012, HUD is expected to issue a NOFA implementing the new PRA option. In order to secure funds for their state, advocates should educate state and local agencies and organizations on the PRA option to encourage a successful application for funds. Like any reformed federal housing program, it must be successfully 'marketed' to potential stakeholders. At the state level, activities should focus on state housing finance agencies, state Medicaid and state health and human service agencies. Nonprofit and for-profit developers that frequently use federal LIHTC and HOME funds should also be made aware of the new opportunities to assist people with disabilities using the new Section 811 options. The PRA option is modeled after successful innovative integrated supportive housing programs underway in several

Program Facts

- The Section 811 Supportive Housing for Persons with Disabilities Program was established in 1990 and reformed by the Frank Melville Supportive Housing Investment Act of 2010 (Melville Act).
- The FY12 appropriation for the program funds renewal projects and an estimated 2,500 new Section 811 units under the new Project Rental Assistance (PRA) component. The new Section 811 PRA option provides cost-effective, project-based rental 811 subsidies directly to state housing finance agencies who must partner with state health and human services or Medicaid agencies. The PRA option reduces the cost of creating a Section 811 unit by as much as 75% by leveraging other sources of affordable housing capital funding. In order to ensure truly integrated housing, no more than 25% of the total number of dwelling units in any project receiving Section 811 PRA may have an occupancy preference for people with disabilities.
- In 2012, HUD is expected to issue a Section 811 Notice of Proposed Rule Making (NPRM) for public comment, as well as a Notice of Funding Availability (NOFA) implementing the new PRA option.

states, including North Carolina, Louisiana, New Mexico, Pennsylvania, and Massachusetts. Efforts in these states have resulted in thousands of new and integrated permanent supportive housing units being created by nonprofit and for-profit affordable housing developers.

WHAT TO SAY TO LEGISLATORS

Advocates are encouraged to contact Members of Congress with the message that people with disabilities continue to be the poorest people in the nation. More than four million non-elderly adults with significant and long term disabilities have Supplemental Security Income levels (SSI) equal to only 18% of AMI and cannot afford housing in the community without federal housing assistance. Because of this housing crisis, the most vulnerable people with disabilities often live unnecessarily in costly nursing homes, in seriously substandard facilities which may violate the ADA, or they may become chronically homeless. Advocates should also ask lawmakers to provide funding to create at least 2,500 new units in FY13. This will provide the federal government with new and more cost-effective permanent supportive housing options to help highly vulnerable people with disabilities live successfully in the community with supports, while also reducing reliance on expensive and unnecessary restrictive settings.

FOR MORE INFORMATION

Technical Assistance Collaborative (TAC) • 617-266-5657 • <http://811resourcecenter.tacinc.org> • www.tacinc.org

SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM

By Leslie R. Strauss, Senior Policy Analyst, Housing Assistance Council

The Self-Help Homeownership Opportunity Program (SHOP) is a competitive grant program that provides funds to national and regional nonprofits that assist low income families in building their own homes using a 'sweat-equity' or 'self-help' model. The homes are sold to the homebuyers at below-market rates.

ADMINISTRATION

The SHOP program is run out of HUD's Office of Community Planning and Development.

HISTORY AND PURPOSE

Congress first authorized the SHOP program in 1996. SHOP was created for the purpose of alleviating one of the largest obstacles faced by self-help housing developers in the production of affordable housing: the high cost of acquiring land and developing infrastructure before home construction begins.

PROGRAM SUMMARY

SHOP is a competitive grant program run by HUD that provides funds to national and regional nonprofits who assist low income families in building their own homes using a 'sweat-equity' or 'self-help' model. Funds are restricted to paying for land and infrastructure costs associated with building the homes, including such items as sewer connections, streets, utilities and environmental remediation. These funds must result in one home for each \$15,000 awarded. Each low income family receiving assistance through SHOP is required to invest at least 100 hours of work in building its home and the homes of others, although many families work far more than the required hours. The homes are sold to the homebuyers at below-market rates.

National or regional nonprofit organizations or consortia can apply to HUD annually for SHOP funds. There are currently two SHOP recipients that operate nationwide: Habitat for Humanity and the Housing Assistance Council. HUD awards grants competitively based upon an organization's experience in managing a sweat-equity program, community needs, its capacity to generate other sources of funding and the soundness of its program design. The HUD-funded organizations may develop self-help housing themselves or act as intermediaries; that is, make SHOP loans to local organizations that work with self-help home buyers.

All families receiving SHOP funds must earn less than 80% of the area median income (AMI), although many of the organizations that facilitate the distribution of these funds work with families who have incomes well below that threshold. SHOP funds have been used to support the work of self-help housing organizations in every state, resulting in the development of thousands of affordable homes for ownership.

FUNDING

SHOP was appropriated \$27 million in FY11 and \$13.5 million in FY12. The Administration proposed no funding for the program in its FY12 budget, noting that the HOME program could cover SHOP's activities. Congress, on the other hand, chose to fund SHOP for FY12, although it did cut the program's appropriation in half. The Administration again proposed no funding for SHOP in its FY13 budget.

WHAT ADVOCATES NEED TO KNOW NOW

SHOP, created in 1996, received steady support from Congress and the Clinton and Bush Administrations. It is one of the few federal housing programs to receive an 'effective' rating (the highest rating possible) on the Program Assessment Rating Tool developed by the Office of Management and Budget (OMB).

The Obama Administration's HUD, which is focusing on much-needed capital improvements to federally assisted rental housing, has put less emphasis on homeownership and new production.

TIPS FOR LOCAL SUCCESS

Local organizations can access SHOP funding by partnering with one of the national or regional funding recipients. The strongest applicants have self-help experience.

WHAT TO SAY TO LEGISLATORS

Members of the House and Senate should be asked to support continued SHOP funding at \$27 million per year. The program has many positive aspects:

- Self-help housing provides families a hand up. The families who ultimately use the program's funds will put at least 100 hours, and often more, into building their own homes. For example, through the Housing Assistance Council's first 10 years of SHOP funding, participating homebuyers averaged over 1,000 hours of labor.
- Because owners' sweat equity reduces mortgage amounts, the self-help process makes homeownership affordable to people with low and very low incomes.
- SHOP is authorized by Congressional legislation; there is no danger that it can be perceived as an earmark.

Adding self-help organizations to the competition for fewer HOME dollars would both decrease the success of current self-help efforts and also further reduce the amount available for HOME's other much-needed activities.

FOR MORE INFORMATION

Habitat for Humanity International • 202-628-9171 •
www.habitat.org

Housing Assistance Council • 202-842-8600 •
www.ruralhome.org

HUD • 202-708-2684 •
www.hud.gov/offices/cpd/affordablehousing/programs/shop

SERVICE COORDINATORS IN MULTIFAMILY HOUSING

By Judith Chavis, Executive Vice President/Public Policy, American Association of Service Coordinators

A service coordinator is a social service professional who generally acts as an information and referral resource for families, seniors, and persons with disabilities residing in publicly funded subsidized apartments or other affordable housing environments. Specifically, service coordinators help the residents in these settings remain independent and self-sufficient by connecting them with community-based services and other income-related benefits.

HUD's Service Coordinators in Multifamily Housing program funds the work of service coordinators in Section 202 housing. The Resident Opportunities and Self-Sufficiency (ROSS) Service Coordinator and Family Self-Sufficiency Coordinator programs fund the work of service coordinators for public housing residents and for Housing Choice Voucher-holding tenants. These programs are housed in the Office of Public and Indian Housing.

ADMINISTRATION

The Service Coordinators in Multifamily Housing program is housed in HUD's Office of Housing.

HISTORY

Congress created HUD's Service Coordinator program through Section 808 of the National Affordable Housing Act of 1990 (also known as the Cranston-Gonzalez Affordable Housing Act, Public Law 101-625). This law gave HUD the authority to use Section 8 funds to employ service coordinators in Section 202 housing.

The Service Coordinator program received additional authority through the 1992 Housing and Community Development Act (HCDA; Public Law 102-550). The HCDA expanded the program by broadening authority for funding of service coordinators in most HUD-assisted and conventional public housing developments designated for the elderly and people with disabilities.

PROGRAM SUMMARY

A service coordinator is defined as a social service staff person hired or contracted by a property owner or management company. The service coordinator's primary role is to coordinate the provision of supportive services to low income elderly and nonelderly people with disabilities to prevent premature and inappropriate institutionalization, thereby improving residents' quality of life. Service coordinators' work allows frail elderly to remain in their homes for as long as possible.

The service coordinator position is funded to carry out the following activities:

- Determining the service needs of residents both on an individual and collective basis.
- Identifying and networking with appropriate supports and services available in the community.

- Assisting residents with obtaining needed services or public benefits.
- Monitoring and evaluating the effectiveness of the supportive services.
- Performing other functions to enable frail and at-risk low income elderly, people with disabilities and families to live with dignity and independence.

Service coordinators are specifically prohibited from directly providing support services, serving as an Activities Director/Coordinator or assisting with other administrative work of the property. However, based on the collective needs of the residents of the property/properties where they work, service coordinators will develop health, wellness, financial literacy and other beneficial group presentations or programs at the property.

Service Coordinator funds are distributed by a national competitive grant process through a HUD Notice of Funding Availability (NOFA). Eligible applicants for these funds include owners of HUD assisted multifamily housing, namely developments built with or subsidized by the following programs: Section 202, project-based Section 8, Section 236 and Section 221(d)(3) Below-Market Interest Rate. All housing must be designed or designated for sole occupancy by elderly persons (aged 62 and older) and/or younger people with disabilities (aged 18 to 61).

While HUD allows service coordinators to be funded through a property's residual receipts funds or to be incorporated into the property's operations budget, most federally assisted properties do not have sufficient resources in their operating budgets to staff service coordinators.

The program is similar to the ROSS Service Coordinator and FSS Coordinator programs, which also provide funding for service coordinators in public housing communities and for

Housing Choice Voucher holders participating in the FSS program, respectively.

FUNDING

For FY12, Congress increased to \$91 million the funding for the Multifamily Service Coordinator grant program.

WHAT ADVOCATES NEED TO KNOW NOW

There continues to be a need for a multifaceted strategy for funding service coordinators that includes maintaining the service coordinator grant programs, increasing the ability for the routine staffing of service coordinators within a property's operating budget or through modest rent adjustments or the property's residual receipts. While statutory authority exists to allow HUD to fund service coordinators, many senior housing facilities have not been able to secure the necessary rent adjustments to accommodate them. Advocates should recommend that sufficient Section 8, Project Rental Assistance Contract (PRAC), or other operating funds be increased to allow routine staffing of service coordinators, as well as to direct HUD and its field offices to provide necessary budget adjustments and regulatory relief to remove any barriers restricting the staffing of service coordinators through a property's operating budget.

There is also a need to expand the funding for housing-based service coordinators to assist frail seniors in the surrounding community where the property is located. While Section 851 of the American Homeownership and Economic Opportunity Act of 2000 (Public Law 106-569) granted authority to enable service coordinators to assist residents in the surrounding community, there are insufficient funds to enable service coordinators to reach out to assist these residents.

Additionally, Section 515 of the American Housing Act of 1949 (Public Law 81-171) provided preliminary language for the use of service coordinators at rural multifamily housing developments under the authority of the U.S. Department of Agriculture (USDA). In the 515 program, the service coordinator can be funded through the property's operations budget. Again, lack of sufficient resources in the operations budgets at these properties has prevented many properties from staffing a service coordinator.

WHAT TO SAY TO LEGISLATORS

Advocates are encouraged to contact members of Congress with the message that despite the critical need and cost-effectiveness of service coordinators in assisting low income seniors and others with special needs to access supportive services, or the need to assist low income families to become more self sufficient and economically independent, funding for service coordinators remains very limited.

Additionally, members of Congress should be urged to:

- Maintain the \$91 million in FY13 for service coordinators in federally assisted housing, particularly to ensure adequate

funds for expiring grants for existing service coordinator positions and to expand the number of properties with a service coordinator.

- Fully fund Section 8, PRAC, other rent subsidies and project operating funds to permit the staffing of a service coordinator as a routine part of the housing property's operating budget.
- Appropriate \$10 million in FY13 to fund a competitive grant for service coordinators in Section 514, 515 and 516 based programs under USDA.
- Appropriate \$60 million in FY13 as a stand-alone appropriations line item for ROSS service coordinators in PHAs.

Program successes. National research over the past 30 years has chronicled the widely recognized preference by older adults to remain independent and in their own homes and communities for as long as possible. A research study on service coordination offers some exciting information on the benefits of service coordination across the country. Additionally, national data from the AASCOOnline documentation system has shown the benefits of service coordination in terms of providing access to services and supports; increased length of independent living; and, most recently, cost-savings for the residents from their access to needed services, benefits and supports.

HUD's Office of Policy Development and Research evaluated the level of satisfaction among property managers in multifamily housing properties with the provision of service coordination. The report, *Multifamily Property Managers' Satisfaction with Service Coordination*, was based on a survey of property managers in multifamily developments who have or did not have a service coordinator program in place.

Overall, the report found a high level of satisfaction from property managers regarding the service coordinator program as well as a strong belief that service coordinators improve the quality of life for the residents in their housing properties. The report also goes on to find resident occupancy appears to be longer in properties with a service coordinator when compared to properties without the position. Specifically, the report stated that the length of occupancy at developments with a service coordinator was 10% more (more than six months) than at developments without a service coordinator. This increased length of independent living serves to reduce the long-term care costs for this population.

The report can be found at: www.huduser.org/portal/publications/hsgspec/serv_coord.html.

FOR MORE INFORMATION

American Association of Service Coordinators • 614-848-5958
• www.servicecoordinator.org

SUSTAINABLE COMMUNITIES AND LIVABILITY INITIATIVES

By Elina Bravve, Research Analyst, National Low Income Housing Coalition

Over the past two years, the Obama administration has undertaken unprecedented efforts to integrate housing, transportation, environmental and economic development strategies within and across federal agencies through the Partnership for Sustainable Communities. However, since the 2011 shift in leadership within the House, federal funds for sustainability initiatives have faced serious threats during the appropriations process.

ISSUE SUMMARY

For far too long, federal support for community strategies that integrate housing, transportation, environmental and economic development strategies have been lacking. Siloed and uncoordinated federal funding for housing, transportation and community development make it challenging for local leaders to implement comprehensive approaches to community revitalization that benefit all residents, including low income residents and communities of color.

This began to change in 2009 when the Obama administration and several Congressional leaders stepped forward with proposals to promote more livable, sustainable communities. In the 111th Congress, Senator Christopher Dodd (D-CT) and Congressman Ed Perlmutter (D-CO) introduced the Livable Communities Act, which proposed aligning transit, housing and environmental goals.

In 2009, the Administration established the Interagency Partnership on Sustainable Communities between the U.S. Environmental Protection Agency (EPA), the U.S. Department of Transportation (DOT) and HUD to “coordinate federal housing, transportation, and other infrastructure investments to protect the environment, promote equitable development, and help to address the challenges of climate change.”

The Interagency Partnership issued the following set of six livability principles to guide its work:

- 1) Provide more transportation choices.
- 2) Promote equitable, affordable housing.
- 3) Enhance economic competitiveness.
- 4) Support existing communities.
- 5) Coordinate and leverage federal policies and investment.
- 6) Value communities and neighborhoods.

HUD has taken a lead role in providing new funding to regions seeking to better integrate housing, transportation and environmental plans and investments. On February 4, 2010, HUD Secretary Shaun Donovan announced the launch of HUD’s new Office of Sustainable Housing and Communities (OSHC) to serve as the lead coordinating entity within HUD working with DOT and EPA on livability and sustainable communities. With the establishment of a new Rural Work Group in 2011, the Partnership began work with USDA to

support rural communities engaged in sustainability and livability work.

In June of 2011, the Partnership for Sustainable Communities marked two years of work to align housing, transportation and environmental goals.

WHAT ADVOCATES NEED TO KNOW NOW

Sustainable Communities Initiative (HUD). In November 2011, HUD announced the FY11 grantees for the Sustainable Communities Regional Planning and Community Challenge Grants. Overall, HUD received more than \$500 million in requests and funded \$96 million dollars worth of grants to be distributed across 56 communities nationwide.

HUD was able to fund 29 Regional Planning Grants and 27 Sustainable Community Challenge grants for FY11. Regional Planning grants encourage the development of region-wide plans to integrate housing, transportation and economic development activities, while Sustainable Community Challenge grants aim to reduce barriers to the development of affordable housing and sustainable communities. Grants can be used to amend land use rules, preserve transit-oriented affordable housing and update master plans.

Along with 87 similar grants awarded in 2010, HUD estimates that the impact of grants awarded through these two programs will reach 133 million Americans.

The President’s FY12 budget requests included \$150 million for the Sustainable Communities Initiative. However, the House FY12 budget proposed to defund the Partnership, while the Senate FY12 budget proposed to reduce the funds available for grants by 10%. Ultimately, the FY12 minibus appropriations bill preserved funding for the operations of the Office of Sustainable Housing and Communities, but cut funds for future rounds of grants associated with the Sustainable Communities Initiative. For FY13, the President requested \$100 million for the Sustainable Communities initiative at HUD, to be drawn from the Community Development Block Grant program. This would restore funding to FY11 levels.

Livable Communities Program (DOT). DOT oversees a large budget and provides billions of dollars annually to states,

regions and communities to fund highways, bridges, public transit, rail, and bicycle and pedestrian projects. As partners in the Sustainable Communities Initiative, DOT and HUD work together to identify strategies to reduce the combined housing and transportation cost burden, and to place a higher priority on preserving and creating affordable housing near transportation amenities.

In June 2011, DOT announced the availability of \$175 million for livability grants to local transit agencies. The majority of these funds come from the Federal Transit Administration's (FTA's) Bus and Bus Facilities Program and the Alternatives Analysis Program. These grants target efforts to coordinate transportation decision making with housing.

In December 2011, 46 transportation projects were funded through the Transportation Investment Generation Economic Recovery (TIGER) III program. Livability is a key part of the criteria for TIGER grants, and an additional \$500 million in funding has been allocated for FY12. The New Starts program, another key source of funds for transit projects, including transit oriented development, received an additional \$355 million dollars worth of funding for FY12. The President's FY13 budget includes requests of \$2.2 billion for the Capital Investment Grant program (formerly New Starts) and \$30 million towards Livability Demonstration grants via the FTA. Lastly, the FY13 budget request includes \$4 billion for Livable Communities programs via the Federal Highway Administration

Smart Growth Technical Assistance (EPA).

The Environmental Protection Agency (EPA) is the third partner in the federal Sustainable Communities Initiative. For the past decade EPA has supported smart growth strategies to help communities grow in ways that expand economic opportunity, while protecting public health and the environment.

The Administration created an Office of Sustainable Communities within EPA in 2010 to provide technical assistance grants and fund research. In the fall of 2011, EPA committed \$1.5 million dollars to smart growth through two technical assistance programs: Smart Growth Implementation Assistance (SGIA) and Building Blocks for Sustainable Communities.

For FY12, the EPA's Office of Sustainable Communities was fully funded. The President's FY13 budget request maintains this level of funding.

Transportation Reauthorization. In September 2009, the federal surface transportation authorization legislation expired, and Congress continues its work towards a new authorization bill. Transportation and Infrastructure Former Chairman Jim Oberstar (D-MN) introduced a \$450 billion bill in the House of Representatives in 2009. While that bill did not move forward as planned, the eighth extension of the Surface Transportation Act was approved by Congress in September of

2011, which will be valid through the end of March, 2012. The Senate Environment and Public Works Committee approved two-year highway reauthorization in November of 2011, and the bill passed the Senate Banking Committee with bipartisan support in February of 2012. The House surface transportation authorization bill, H.R. 7, and an associated funding bill, H.R. 3864, were introduced in early 2012, and the bill proved extremely contentious due to its intent to eliminate many programs, especially a proposed end to dedicated public transit funding from fuel tax revenues, a component that could have a disproportionate effect on low income families that rely on transit. The Administration threatened to veto the legislation in a statement in February 2012.

The President's FY13 budget request included an ambitious \$476 billion dollar surface transportation reauthorization proposal. The President proposes funding the proposal with the savings expected from withdrawing from Iraq and Afghanistan.

Affordable housing advocates at the national and state level can work to support specific housing-related policies that will advance equitable transportation principles including:

- Provide tangible financial incentives to preserve and expand the availability of housing affordable to families with a range of incomes, including low and extremely low income, near public transit stops, job centers, and other essential destinations.
- Target transportation investments to support convenient, complete and inclusive communities with a mix of housing types and incomes, where necessities and amenities are close by, and people can walk, bike, ride transit and drive.
- Ensure that low and moderate income families have access to housing near transportation options by providing direct incentives and support for creation of transit-oriented development districts around corridor transit stations, with bonuses given for preservation and creation of mixed-income housing.
- Establish national minimum guidelines for coordinating state and metropolitan transportation planning with other planning processes to ensure integration of housing, land use and transportation activities resulting in more compact, mixed-income communities well served by transit.
- Establish an Office of Livability within DOT responsible for administering new livability programs and policies, coordinating the various offices within the department, working with DOT's federal partners, and ensuring that states and MPOs integrate housing, land use, and environmental uses.

NLIHC Livable Communities Principles. NLIHC adopted a set of principles to guide the reform of federally required planning processes to achieve inter-departmental coordination. These principles include:

- 1) Any federally required plans must be based on actual and anticipated human activity in a region (metropolitan or rural), not single political boundaries.

- 2) The provision and retention of housing affordable to families and individuals with the lowest incomes must be a high priority.
- 3) Federal agencies, including HUD, DOT, EPA and others as appropriate, must integrate (not merely coordinate) their federally required plans.
- 4) Plans must establish relative priorities based on the severity of need, and allocate federal funds proportionately to implement programs that meet the relative priorities.
- 5) Plans must state how affirmatively furthering fair housing choice will be carried out.
- 6) Plans must include (not “certify” the existence of) an anti-displacement component similar to Section 104(d) of the CDBG statute.
- 7) Planning processes must include, at a minimum, the details of the public participation requirements in the CDBG and Consolidated Plan laws and regulations.
- 8) Public entities must utilize federal funds in a manner consistent with their plans.

WHAT TO SAY TO LEGISLATORS

The Interagency Partnership for Sustainable Communities is a historic commitment by the federal government to work together to support local strategies to create livable communities that are healthy, safe and economically secure for households of all income levels. Ensuring that all three federal agencies involved in the initiative—HUD, DOT, and EPA—have funding and staff devoted to sustainable communities will help accelerate successful projects in communities across the country. It is also essential to update federal regulations and policies that have often worked against locating and preserving affordable housing in neighborhoods with access to jobs, transportation and community amenities.

FOR MORE INFORMATION

LISC • <http://lisc.org>

PolicyLink • www.policylink.org

Reconnecting America • www.reconnectingamerica.org

NLIHC • 202-662-1530 • www.nlihc.org

Link to NLIHC’s community planning principles at:
<http://nlihc.org/issues/other/just-communities>

HUD Office of Sustainable Communities and Housing • http://portal.hud.gov/hudportal/HUD?src=/program_offices/sustainable_housing_communities

EPA’s Smart Growth Programs • www.epa.gov/smartgrowth

FTA Livable and Sustainable Communities: http://fta.dot.gov/publications/publications_10935.html

Smart Growth America • www.smartgrowthamerica.org/policy-work/federal-policy-priorities

VETERANS AFFAIRS SUPPORTIVE HOUSING VOUCHERS

By Jordan Press, Director of Public Policy, Corporation for Supportive Housing

HUD-VASH combines Housing Choice Voucher rental assistance for homeless veterans with case management and clinical services provided by the U.S. Department of Veterans Affairs (VA), and are a key program towards the Administration's stated goal of ending veteran homelessness within 5 years (2014).

Since 2007, Congress has appropriated funds for approximately 47,000 VASH vouchers (approximately 10,000 per year). For FY13 advocates call on Congress to provide \$75 million for a round of 10,000 new VASH vouchers while full-funding all existing vouchers through the regular Section 8 account.

ADMINISTRATION

The HUD-VASH program is jointly administered by the VA and the U.S. Department of Housing and Urban Development (HUD). Because the vouchers are allocated to local Public Housing Authorities (PHAs) and the nearest VAMC, program administration is largely devolved to community.

HISTORY

Although the HUD-VASH program was originally created in the early 1990s, it did not receive strong federal support for many years. In 2007, as soldiers began returning home from Iraq and Afghanistan to a troubled U.S. economy Congress demonstrated strong interest in preventing and reducing homelessness among this population of heroes. Congress began funding these special purpose vouchers in earnest in the FY08 HUD Appropriations Act with an allocation of \$75 million for approximately 10,000 vouchers. The Obama Administration announced in late 2009 that it was setting a goal of ending homelessness among veterans within five years, and VASH became an important tool in achieving this goal. Since FY08, Congress has allocated the same \$75 million to HUD for approximately 10,000 new vouchers each year with the only exception being the FY11 Appropriations Act; \$50 million was awarded in FY11 for approximately 7,500 vouchers in the continuing resolution that year.

Advocates originally identified approximately 60,000 chronically homeless veterans who could have their homelessness ended with a HUD-VASH voucher and encouraged Congress and the Administration to set this as a target for the number of vouchers on the street. Initial voucher allocation was not geared towards chronically homeless veterans, however, and only recently have HUD and the VA become more successful in encouraging communities to target vouchers more deeply. At the same time, due to an overall shortage of affordable housing and scarce rental assistance for homeless veterans through other programs, many communities chose to award VASH vouchers to homeless veterans who were not chronically homeless. In the coming years, Congress and the Administration along with interested community partners and

homeless advocates will need to reassess what resources are needed to end homelessness for both the chronically homeless as well as other homeless veterans. Improved planning and coordination at the local level will be key to success.

PROGRAM SUMMARY

In December 2011, HUD and the VA jointly announced that national report data showed that veteran homelessness declined by nearly 12 percent between January 2010 and January 2011 despite high unemployment and a challenging economy. According to the 2011 supplement to the Annual Homeless Assessment Report, 67,495 veterans were homeless in the United States on a single night in January 2011. In addition, a disproportionate number of homeless persons are veterans as compared to prevalence of veterans among the overall U.S. population. According to Administration data, since 2009 VA and HUD have successfully housed a total of 33,597 veterans in permanent, supportive housing with dedicated case managers and access to high-quality VA health care.

Although several federal programs are available to help meet the housing and services needs of homeless persons, HUD-VASH is a particularly effective resource because it combines both housing and services into one resource.

Generally, the program is administered in accordance with regular Housing Choice Voucher program requirements. However, Congress allows HUD to waive or specify alternative requirements for any provision of any statute or regulation that HUD administers in connection with this program in order to effectively deliver and administer HUD-VASH voucher assistance. The HUD-VASH Operating Requirements (including the waivers and alternative requirements from HCV program rules) were published in the Federal Register on May 6, 2008.

Notable waivers in the Operating Requirements include:

- Section 8(o)(19) of the United States Housing Act of 1937, which requires homeless veterans to have chronic mental illnesses or chronic substance use disorders with required

Veterans Affairs Supportive Housing Vouchers

treatment of these disorders as a condition of receipt of HUD-VASH assistance, is waived.

- The VAMC will refer HUD-VASH eligible families to the PHA for the issuance of vouchers. Therefore, the PHA will not have the authority to maintain a waiting list or apply local preferences for HUD-VASH vouchers. Accordingly, section 8(o)(6)(A) of the USHA of 1937, 42 U.S.C. 1437f(o)(6)(A), in regard to preferences, has been waived to provide for the effective administration of the program.
- Federal regulations relating to applicant selection from the waiting list and local preferences, are also waived. Regulations regarding special admissions, cross-listing of the waiting list, and opening and closing the waiting list do not apply to the HUD-VASH program.
- The VAMC will screen all families in accordance with its screening criteria. By agreeing to administer the HUD-VASH program, the PHA is relinquishing its authority to determine the eligibility of families in accordance with regular HCV program rules and PHA policies. Specifically, under the HUD-VASH program, PHAs will not have the authority to screen potentially eligible families or deny assistance for any grounds permitted under 24 CFR 982.552 (broad denial for violations of HCV program requirements) and 982.553 (specific denial for criminals and alcohol abusers), with one exception. PHAs will still be required to prohibit admission if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program.

Eligible Participants. In order to receive a housing voucher through this program, participants must meet the following criteria:

- Must be a VA health care eligible veteran.
- Must meet the McKinney Act definition of homelessness.
- In need of case management services, including services for serious mental illness, substance use disorder history, or a physical disability. Case management is a requirement for participation in the HUD-VASH voucher program.
- Income level and Lifetime Sexual Offender Registry status are also factors in eligibility.

Allocation of Vouchers. The program distributed 10,000 vouchers per year in 2008, 2009 and 2010 among 132 VAMCs that participate in the program (there is at least one site in each of the 50 states, the District of Columbia and Puerto Rico). In order to determine the allocation of vouchers, the VA and HUD take into account the following factors:

- The population of homeless veterans needing services in the area.
- The number of homeless veterans served by the homeless programs at each VA Medical Center (VAMC).
- The geographic distribution.
- VA case management resources.

Portability. An eligible family issued a HUD-VASH voucher must receive case management services provided by the VAMC. Therefore, special mobility and portability procedures

have been established. HUD-VASH participant families may reside only in those jurisdictional areas that are accessible to case management services as determined by the partnering VAMC. More information regarding portability features of VASH vouchers can be found in the HUD-VASH Operating Guidelines.

Project-basing VASH vouchers. PHAs may designate a maximum of 50% of their total HUD-VASH allocation as project-based vouchers. Project-based proposals apply to all types of developments including existing units, newly constructed units and substantially rehabilitated units. Requests for project-basing will only be considered if the local VAMC supports the request. The initial lease term must be for at least one year. If a household chooses to move from a project-based unit, the PHA must offer the household the opportunity for continued tenant-based rental assistance in the form of either assistance under the voucher program or other comparable tenant-based rental assistance. If there is no regular voucher to offer the household, the tenant keeps its HUD-VASH voucher when moving to another unit.

FUNDING

HUD-VASH vouchers are funded by both the VA and HUD. On the VA side, case management services are funded through the VA's Health Account and do not have a separate line item in the budget. Because this account funds all VA health care activities it is generally robustly funded by Congress and thus has not been an issue for which advocates have had to spend time on. On the HUD side, \$75 million was provided for 10,000 new vouchers in FY08, FY09, FY10, and FY12. In FY11 \$50 million was provided for approximately 7,500 vouchers. VASH voucher renewals are lumped into the general Section 8 tenant-based rental assistance account and Congress has provided sufficient funding in recent years to renew all VASH vouchers.

WHAT ADVOCATES NEED TO KNOW NOW

HUD-VASH vouchers are an incredibly important resource in ending the national tragedy of veterans' homelessness. Congress should continue to fund HUD with \$75 million to provide 10,000 new VASH vouchers in FY13 and provide adequate funding in the tenant-based Section 8 account to renew all existing VASH vouchers.

TIPS FOR LOCAL SUCCESS

While any form of homelessness in America is shameful, politicians have been particularly responsive to wanting to end veterans' homelessness. For those policymakers whom advocates have found difficult to approach for support on more broad affordable housing and homelessness issues you may find success in discussing the need for resources to end veterans' homelessness.

Data regarding the prevalence of homeless veterans is available either in HUD's Annual Homeless Assessment Report, Veterans Supplement, through the U.S. Interagency Council

on Homelessness (www.usich.gov) or at the National Alliance to End Homelessness' website at www.endhomelessness.org.

WHAT TO SAY TO LEGISLATORS

Advocates should speak to Senators and Representatives, particularly if they are on the Appropriations or Veterans Affairs Committees, and urge them to provide the President's budget request of \$75 million for 10,000 new HUD-VASH vouchers to help end homelessness among veterans.

FOR MORE INFORMATION

Corporation for Supportive Housing • 202-588-1304 • www.csh.org

National Alliance to End Homelessness • 202-638-1526 • www.endhomelessness.org

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

National Coalition for Homeless Veterans • 202-546-1969 • www.nchv.org

US Department of Housing and Urban Development's HUD-VASH Webpage: <http://1.usa.gov/AgrU2z>

4

INCOME PROGRAMS

EARNED INCOME TAX CREDIT

By John Wancheck, EITC Campaign Coordinator, Center on Budget and Policy Priorities

The Earned Income Tax Credit (EITC) is a federal tax credit that benefits low and moderate income workers. EITC benefits are particularly valuable for workers raising children, but very low income workers not raising children may also qualify for a smaller credit.

ADMINISTRATION

Congress established the EITC in 1975 under Section 32 of the Internal Revenue Code. As a tax program, the EITC is administered by the Internal Revenue Service (IRS). The EITC has been expanded by Congress several times with the support of both Republican and Democratic presidents. In 2009, a substantial expansion of the EITC was enacted in the American Recovery and Reinvestment Act (ARRA) and extended through 2012 by Congress in 2010. Important ARRA expansions of the Child Tax Credit and a higher education credit were also extended.

HISTORY

The EITC was designed to offset the payroll and income tax burdens of low income workers raising children. Expansion of the EITC now also provides an income supplement to such workers earning very low wages. The EITC reflects Congressional and public preferences to support increased work efforts and less dependency on welfare programs by low income families. The EITC provides strong incentives for full-time work and the EITC has historically enjoyed bipartisan support.

PROGRAM SUMMARY

According to analyses of Census data by the Center on Budget and Policy Priorities (CBPP), in 2010 the EITC lifted an estimated 6.3 million people out of poverty, including 3.3 million children. The poverty rate among children would have been nearly one-third higher without the EITC. The EITC lifts more children out of poverty than any other single program or category of programs. It enables near-poor parents and children to maintain incomes above the poverty line.

The EITC is received as a refund from the IRS. Workers who claim children for the EITC must file tax form 1040 or 1040A and attach IRS 'Schedule EIC.' The amount of the EITC varies according to workers' earnings and the number of children. A new, larger benefit for workers with three or more children was enacted in 2009. For work in 2011, they can receive up to \$5,751 if they have income less than \$43,998. Workers with income less than \$40,964 raising two or more children in 2011 can receive up to \$5,112. Workers with income less than \$36,052 raising one child in 2011 can receive up to \$3,094. For a family with three children and very low wages, the EITC equals 45% of the first \$12,780 in earnings in 2011.

In addition to sons and daughters, qualifying children for the EITC may include grandchildren, step-children, adopted

children, brothers and sisters (or their descendants) and foster children officially placed with workers.

Workers who do not claim children for the EITC may be eligible for a modest EITC of up to \$464. Such workers must be between 25 and 64 years old at the end of 2011, with income less than \$13,660 (\$18,740 for married couples). They are not required to file Schedule EIC with their tax form.

EITC income limits above are now \$5,080 higher for married workers, providing a higher EITC for many married workers.

Families who work and also receive public benefits, such as cash assistance, food stamps, SSI, Medicaid or federal housing assistance do not need to worry that receiving the EITC will affect these benefits. EITC is not counted as income to determine eligibility for these programs and, beginning in 2010, does not count against resource limits for 12 months after receipt. For 2011, 24 states (including the District of Columbia) offer a state EITC in addition to the federal credit, and three localities – New York City, San Francisco and Montgomery County, MD – offer a local EITC.

Child Tax Credit. Many workers who claim the EITC may also qualify for the Child Tax Credit (CTC), worth up to \$1,000 for each qualifying child under age 17. As a result of the expansion of the CTC in ARRA, it now enables many more families who earn too little to owe federal income tax to still receive a refund. To be eligible for this 'Additional CTC' in 2011, workers must have taxable earned income above \$3,000.

For example, a single worker in 2011 who earns \$18,000 with three qualifying children under age 17 can claim a CTC refund worth \$2,250 and an EITC of \$5,475. As with the EITC, CTC refunds are not counted as income in determining eligibility for any federally funded program and do not count toward resource limits for 12 months after receipt.

Higher Education Tax Credit. The American Opportunity Tax Credit was enacted by ARRA as a revised version of the HOPE credit for higher education expenses. It is worth a total of \$2,500, compared to \$1,800 for the HOPE credit, but the key new feature is that up to \$1,000 of the credit can be claimed even if the individual does not earn enough to owe income tax. Such filers could not claim the HOPE credit. Lower income parents of college students and adult students may now benefit.

Making Work Pay Credit. This credit, enacted by ARRA, was not extended beyond 2010, so it is not in effect during 2011. The credit was worth \$400 for an individual and \$800 for married workers. Most workers received this credit in 2010 through an IRS-ordered reduction in income tax withheld by employers, but self-employed workers and workers whose spouse was not employed needed to file a tax return to claim their credit. If they did not claim it, they may file or amend their 2010 tax return to do so.

FUNDING

The EITC and other tax credits are components of the Internal Revenue Code. Consequently, the benefits of these credits do not require annual appropriations decisions. Funding for EITC administration is part of the IRS budget and is not separately appropriated. In 2010, about 27 million low and moderate income workers received more than \$59 billion from the EITC.

WHAT ADVOCATES NEED TO KNOW NOW

The recent expansion of the EITC and other credits will be on the Congressional agenda in 2012. The year-end 2010 tax legislation extended the Bush tax cuts along with the ARRA tax credit expansions above through 2012, so action on taxes will occur to determine tax law starting in 2013. An early warning sign occurred in December 2011. The House-passed version of legislation to extend the payroll tax holiday, scheduled to expire at the end of 2011, contained a provision to disqualify immigrant workers from claiming the Child Tax Credit refund if they file returns using an Individual Taxpayer Identification Number (used by tax filers unable to obtain a Social Security number), changing current law established in the mid 1990's. This would deny the credit to many families in which the children of immigrant workers are U.S. citizens. The existing payroll tax holiday was temporarily extended for two months into 2012, so the Senate has not yet considered this proposal.

TIPS FOR LOCAL SUCCESS

The Center for Budget and Policy Priorities closely monitors congressional action on the EITC and the other tax credits, publishes analyses of proposals and issues legislative action alerts to advocates. Advocates can monitor developments at www.cbpp.org. The National Community Tax Coalition supports the EITC and other expanded credits. It provides specific legislative action materials designed for state and local advocacy at www.tax-coalition.org.

Outreach Campaigns. While participation in the EITC is higher than in public benefit programs with more burdensome eligibility procedures, each year several million eligible workers do not claim their EITC. Nearly 70% of EITC recipients pay commercial tax preparers to do their tax returns, draining hundreds of dollars from their refunds and risking exposure to predatory refund loan practices.

- The IRS sponsors the Volunteer Income Tax Assistance (VITA) program to provide free tax filing assistance by trained community volunteers at local community sites.

- CBPP provides local organizations with training and technical assistance in building tax credit outreach campaigns and VITA programs. CBPP annually distributes a tax credit community outreach kit with posters, flyers, fact sheets and examples of effective outreach strategies. These materials, and flyers translated in 19 languages, are posted at www.eitcoutreach.org, as well as other materials for specific constituencies and analyses of the EITC.
- A state-by-state directory of local EITC outreach and free tax assistance coalitions is available at: www.centeronbudget.org/eitc-partnership/directory.htm. Such programs also often are leading local advocates to defend tax credits for low income workers against cuts.
- The National Community Tax Coalition provides organizations more detailed information and technical assistance on the nuts and bolts of developing strong community VITA programs.
- Also see resources available from the IRS (www.irs.gov/eitc). The IRS and HUD partner nationally to promote these credits and the VITA program.
- Community organizations and local agencies may qualify to apply for annual Community VITA grants, a matching grant program administered by the IRS to expand VITA to underserved communities (search for 'VITA Grants' at www.irs.gov).

WHAT TO SAY TO LEGISLATORS

The EITC is designed to encourage and reward work. Beginning with the first dollar, a worker's EITC grows with each additional dollar of earnings until the credit reaches the maximum value. This creates an incentive for people to leave welfare for work and for low-wage workers to increase their work hours.

The EITC reduces poverty by supplementing the earnings of workers with low wages and low earnings. There has been broad bipartisan agreement that a two-parent family with two children with a full-time, minimum-wage worker should not have to raise its children in poverty. At the federal minimum wage's current level, such a family can move above the poverty line for an average family of four only if it receives the EITC as well as SNAP (food stamp) benefits.

For young children, moving out of poverty is particularly important. Research has found that lifting income in early childhood not only tends to improve a child's immediate educational outcomes, but also is associated with more schooling, more hours worked, and higher earnings in adulthood.

FOR MORE INFORMATION

Center on Budget and Policy Priorities • 202-408-1080 • www.cbpp.org

National Community Tax Coalition • 312-252-0280 • www.tax-coalition.org

THE MINIMUM WAGE

By Douglas Hall, Director of EARN, Economic Policy Institute

- **Federal Minimum Wage:** \$7.25 (effective July 24, 2009)
- **State Minimum Wages:** range from \$5.15 in Georgia and Wyoming to \$9.04 in Oregon.

The federal minimum wage ensures a basic level of compensation for workers in the United States. But as costs have gone up over the last four decades, the buying power of the minimum wage has eroded, resulting in millions of workers who struggle to afford their most basic needs, such as housing. Increasing the minimum wage puts more money in the hands of low wage workers, thereby contributing to economic recovery. The 2008 and 2009 increases to the minimum wage boosted consumer spending by about \$8.6 billion.

Most recently raised in 2009, the federal minimum wage is currently set at \$7.25 per hour. Because of the ongoing impact of inflation, these historic increases to the minimum wage have already been somewhat eroded.

ADMINISTRATION

The U.S. Department of Labor enforces federal minimum wage laws, while state labor departments handle state laws.

HISTORY AND PURPOSE

The federal minimum wage was established in 1938 during the Great Depression as a measure to prevent the exploitation of workers and to limit income inequality.

Although the nominal level of the minimum wage has increased over time, prices have also increased, resulting in the wage's fluctuating buying power over the years. This buying power peaked in 1968 at \$9.85 in 2011 dollars. In 2007, after 10 years of inaction on this issue, Congress passed a three-step increase to the federal minimum wage, raising it from \$5.15 to \$5.85 in 2007, to \$6.55 in 2008, and to \$7.25 in 2009. This restored much of the buying power of the minimum wage to its historical levels, but it still remains well below the peak reached in 1968.

PROGRAM SUMMARY

Federal minimum wage legislation ensures that employers, both private and public, provide their employees with a minimum level of compensation for hours worked. Almost all workers are covered by this law, with exemptions for teenagers during their first 90 days of employment, some seasonal workers, and a few other groups.

A full-time minimum wage worker takes home just \$14,500 a year, well below the poverty line for a family of three. According to a study by the Economic Policy Institute (EPI), there are almost 5 million workers who earn at or near the federal minimum wage, with more than 70% of this group 20 years old or older. In addition, almost 25% of these workers have children; a total of 2.1 million kids depend on parents who are earning close to the minimum wage. More than half

of minimum wage workers have a family income of less than \$35,000 a year. A 2011 US Bureau of Labor Statistics report shows that nearly two thirds (65.4%) of those earning the federal minimum wage or less have completed high school, with nearly a third (30.0%) having completed some college or an associate's degree.

WHAT ADVOCATES NEED TO KNOW NOW

Minimum wage and housing. As NLIHC's annual *Out of Reach* report shows, there is no jurisdiction in the United States in which a worker earning the federal minimum wage can afford even a one-bedroom apartment at the fair market rent (FMR). On average, a minimum wage worker would have to work 102 hours a week, the equivalent to 2.5 full time jobs, in order to afford a two-bedroom apartment at the fair market rent. (In New York or the District of Columbia, jurisdictions with the highest FMRs, workers would have to work the equivalent of 3.4 full time jobs to afford a two bedroom apartment at the fair market rent).

Indexing the minimum wage to inflation. The lack of a strong minimum wage contributes to growing wage inequality, a trend which the nationwide "occupy" movements clearly find unacceptable. Workers today are better educated and more productive than ever before, but real wages for minimum wage workers are now lower than they were 40 years ago. Although the purchasing power of the minimum wage has fallen, it can be restored to help working families support themselves.

Ten states have ensured that the real value of the minimum wage will not decline over time by indexing it to inflation, and Congress should follow their lead. This is an improvement over the current system whereby the minimum wage is raised only when it is politically expedient. In addition to maintaining a constant real value of the minimum wage, indexing also ensures that each increase is small and predictable. Indexing the minimum wage to a level equal to 50% of average, non-

supervisory workers' wages (as suggested in a 2009 EPI paper, *Fix it and Forget it: Index the Minimum Wage to Growth in Average Wages*), would result in even more stable increases, and would do a better job of promoting wage equality.

Stimulating the economy. Because minimum wage workers typically come from low income families, any wage increases given to them will likely be spent quickly, providing a boost to the local economy. A study of the impact of the 2009 federal minimum wage increases found that the increase provided about \$5.5 billion of additional consumer spending to the economy. Recent analysis of proposed state level increases to the minimum wage reinforce these findings, showing that increasing state minimum wages stimulates the economy and creates jobs.

TIPS FOR LOCAL SUCCESS

As the federal minimum wage stagnated from 1984 to 2007, several states decided to take up this issue themselves and set their own minimum wages higher than the federal minimum. In 1984, only one state (Alaska) had a minimum wage higher than the federal minimum. By the end of 2007, 31 states and the District of Columbia had set their minimum wages above the federal level. In addition, many of these states have indexed their minimum wage to inflation so that the purchasing power of the minimum wage does not decline over time. This strategy has proven successful at the state level, and should be adopted at the federal level also.

Advocates interested in fair wages in their states or localities can contact the groups listed below to learn how to organize a campaign to enact a higher state or local minimum wage. In 2012, a number of states are pursuing increases to their minimum wages. Campaigns are underway in several states including Illinois, Connecticut, New York, and Massachusetts.

WHAT TO SAY TO LEGISLATORS

Working Americans should be duly compensated for their labor with a wage that allows them to provide for their families. Even after the latest increase in the minimum wage, its inflation-adjusted value is still lower than historic levels, and it is still at a level that makes it nearly impossible for these workers to pay for basic necessities, including housing.

Advocates should tell their federal and state legislators that the way forward has two steps: first, increase the minimum wage to a livable level, and second, index it to protect against inflation.

Increasing the minimum wage – at either the federal or state level – contributes to economic growth at a time when the economy is in dire need of further expansion. Increasing the minimum wage improves the well-being of low income workers, while improving the economy for all. Increasing the minimum wage is smart public policy.

FOR MORE INFORMATION

Economic Policy Institute • 202-775-8810 • www.epi.org

National Employment Law Project • 212-285-3025 • www.nelp.org

SUPPLEMENTAL SECURITY INCOME

By Kathy Ruffing, Senior Fellow, Center on Budget and Policy Priorities

Supplemental Security Income (SSI) is a means-tested program that provides cash benefits for low income people who are disabled, blind, or elderly.

ADMINISTRATION

The Social Security Administration (SSA) runs the program.

HISTORY

Congress created SSI in 1972 to replace the former program of grants to states for aid to the aged, blind, or disabled.

PROGRAM SUMMARY

SSI provides monthly cash assistance to persons who are unable to work due to age or medical conditions and have little income and few assets. In 2012, the basic monthly SSI benefit is \$698 for an individual and \$1,048 for a couple. Beneficiaries who live in another person's household and receive in-kind maintenance and support receive one-third less than this amount, while beneficiaries who receive long-term care in a Medicaid-funded institution receive \$30 per month. Many states supplement the federal SSI benefit, though state budget cuts are severely curtailing those additional payments.

SSI benefits are reduced when recipients have other income. Each dollar of so-called unearned income over \$20 per month, such as Social Security benefits, pensions, or interest income, reduces SSI benefits by a dollar. Each dollar of earned income over \$65 a month (or \$85 for someone with no unearned income) reduces SSI benefits by 50 cents, a provision that is meant to encourage work. SSI benefits are unavailable to people whose assets exceed \$2,000 for an individual or \$3,000 for a couple (with certain exceptions).

Although run by the the same agency, SSI is distinct from the Old-Age, Survivors, and Disability Insurance (OASDI) programs commonly known as Social Security. To collect Social Security, recipients must have worked a certain number of quarters and paid the requisite payroll taxes, besides meeting certain age or disability requirements. Many SSI recipients have worked long enough to collect Social Security but their Social Security benefit is low enough that they also qualify for SSI. Nearly one-third of adult SSI recipients under age 65, and almost three-fifths of recipients over 65, also get Social Security.

In most states, anyone who receives SSI benefits is automatically eligible for Medicaid. About half of SSI recipients also get food stamps (except in California, which pays an extra cash supplement in lieu of food stamps).

Over 90% of SSI recipients are U.S. citizens. The 1996 welfare reform law eliminated most noncitizens' eligibility for SSI

unless they fall into one of three main groups: lawful residents who entered the United States by August 1996, refugees who entered after that date (who can receive SSI only on a temporary basis, currently for seven years), or immigrants who entered after August 1996 and have earned 40 quarters of coverage under Social Security.

Individuals may apply for SSI online, by phone, or in person at one of SSA's field offices. SSA will verify the applicant's identity, age, work history, and financial qualifications. In the case of disability applications, state agencies called Disability Determination Services (DDSs) weigh the medical and related evidence to judge whether the applicant meets the criteria set out in law — basically, whether he or she suffers from a severe impairment that will last at least 12 months or result in death and that makes it impossible to engage in substantial work. (A slightly different definition applies to disabled children under age 18.) If the DDS initially denies the application, individuals have several levels of appeal, and may choose to be represented by an attorney.

Although SSI benefit levels are low, they are critical to obtaining and maintaining housing for many recipients. SSI benefits enable some homeless recipients to qualify for supportive housing programs or subsidized housing vouchers or units prioritized for persons with disabilities. Supportive housing providers may also receive Medicaid reimbursement for certain services provided to clients who qualify for Medicaid via SSI.

In December 2011, over 8.1 million people received SSI benefits: 1.3 million children under age 18, 4.8 million disabled adults aged 18-64, and 2.1 million people 65 or older.

FUNDING

As an entitlement program, SSI is available to anyone who meets its eligibility requirements. Total SSI outlays were \$56.5 billion in 2011, including \$3.7 billion for administrative costs (which are subject to annual appropriation). Outlays in FY11 were swollen by the fact that the program made 13 monthly payments in that year, to be followed by 11 payments in FY12.

WHAT ADVOCATES NEED TO KNOW NOW

Although SSI benefits provide critically needed resources to persons with disabilities, they can be difficult to obtain. Nationwide, about one-fourth of adult disability claims are approved at the initial level, a rate that rises to about 40% after all appeals. (Allowance rates for disabled children are slightly higher.) The process is especially challenging for people who

are homeless. Barriers include difficulty obtaining medical documentation and in making and keeping appointments. SSA requires evidence of a disability to come from an ‘acceptable medical source’ such as a physician or psychologist. The list of acceptable medical sources excludes such providers as physicians’ assistants, nurse practitioners, and licensed clinical social workers (although such professionals often provide supporting documentation).

Disability claimants often face an extended wait for a decision. Initial review of a disability application typically takes three to four months, although there is a fast-track program for certain severe conditions; appeals to the Administrative Law Judge (ALJ) level may take a year or more to be processed. SSA hoped to eliminate the hearings backlog by 2013, but that goal was contingent on full funding of the President’s budget request. Some states and localities offer interim assistance while an applicant awaits a decision on SSI, eventually recouping the money from any retroactive benefits.

Some initiatives have demonstrated success in increasing SSI access for homeless people with disabilities. The Social Security Outreach and Access to Recovery (SOAR) program has used a train-the-trainer model combined with technical assistance to teach caseworkers how to conduct outreach and assist homeless applicants. SOAR is an interagency initiative involving SSA, HUD, and the Department of Health and Human Services’ Substance Abuse and Mental Health Services Administration (SAMHSA). As of summer 2010, clients at SOAR-trained sites in 37 states had an average initial approval rate of 73%.

Although SSI payments may allow recipients to obtain subsidized housing, they are insufficient to enable residents to afford unsubsidized housing. Congress should consider a number of enhancements to SSI, such as increasing the basic benefit, liberalizing the treatment of other income (both earned and unearned), and raising and indexing the resource limits (which have not changed since 1989). Those proposals, however, may cost significant amounts of money at a fiscally challenging time.

WHAT TO SAY TO LEGISLATORS

Advocates should urge Congress to continue funding for the SOAR program within SAMHSA’s Programs of Regional and National Significance. Advocates should also ask legislators to extend SSI for refugees who lose their benefits when their temporary eligibility ends. Congress should ensure that SSA offices, including ALJ services, are adequately staffed. Finally, advocates should urge Congress to improve benefits in the SSI program, while recognizing fiscal realities.

FOR MORE INFORMATION

Center on Budget and Policy Priorities • www.cbpp.org

National Law Center on Homelessness & Poverty • www.nlchp.org

National Health Care for the Homeless Council • www.nhchc.org

National Policy and Advocacy Council on Homelessness • www.npach.org

National Senior Citizens Law Center • www.nslc.org

SOAR • www.prainc.com/soar

Social Security Administration • www.socialsecurity.gov

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

By Sharon McDonald, Senior Policy Analyst, National Alliance to End Homelessness

Temporary Assistance for Needy Families (TANF) is a federal block grant program that provides funds to states to assist low income families. Last year, Congress extended authorization for the program through September 30, 2011 through a Continuing Resolution. The President's FY12 budget is not widely expected to include a proposal to fully reauthorize TANF, though it may include proposals to help states meet the needs of low families impacted by the recession or to support state level innovation.

HISTORY AND PURPOSE

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) replaced Aid to Families with Dependent Children (AFDC), an entitlement program established by the Social Security Act of 1935, with the TANF block grant. Many proponents of welfare reform argued that the ongoing availability of cash assistance under AFDC did little to promote work, marriage, or self-sufficiency, and instead encouraged government dependence. Opponents argued that welfare reform would dismantle an important safety net for families and leave them with little protection from the vagaries of uncertain labor markets.

TANF is used by states to provide cash assistance and work supports, such as child care, transportation, and job training, to low income families with children. States cannot use federal TANF resources to provide cash assistance to families for more than five years, though 20 percent of a state's caseload can be exempted from the five year time limit. States must also demonstrate that 50 percent of cash assistance recipients are engaged in 20-35 hours of approved work activities each week. States receive a 'caseload reduction credit' toward the 50 percent work participation rate when families exit the program. Federal TANF resources cannot be used to provide assistance to some immigrant families legally residing in the United States.

States were provided broad flexibility in the use of the block grant program to assist families. Most states adopted much shorter time limits for cash assistance than the federal law requires and imposed sanctions to reduce or withhold cash assistance from families who failed to meet work participation requirements. States used the flexibility of the block grant program to provide child care and other supports that helped low income women make the transition to employment. As more families transitioned off of welfare assistance, states received credit toward the state's work participation rate. As a result, states were able to engage families in a wide array of activities without regard to whether those activities were an 'approved' work activity. States used this flexibility to engage families in activities such as mental health and substance abuse counseling.

The program was reauthorized by the Deficit Reduction Act of 2005 (DRA) which restricted state flexibility in administering

the program. DRA recalibrated how states were rewarded for caseload reductions and more narrowly defined activities that families could engage in and be counted toward the state's work participation rate. This created more pressure on states to engage families in countable work activities and to invest more resources in activities that counted. Advocates expressed concern that pressure on states to meet work participation rates would increase the likelihood that families would lose cash assistance due to sanctions when they did not meet work requirements and they would lose access to needed services, such as rehabilitative services, that were not 'countable.'

To help states serve the increased number of families in need due to the recession, the American Recovery and Reinvestment Act (ARRA) included \$5 billion for the TANF Emergency Contingency Fund (ECF). States were eligible to draw down TANF ECF resources to mitigate the increased costs they incurred providing cash assistance, subsidized employment, or short-term benefits such as eviction prevention assistance, utility assistance, security deposit, and first month's rent. The TANF ECF funds expired on September 30, 2010. Attempts to extend the program through FY11 were defeated in the Senate.

PROGRAM SUMMARY

The purpose of the TANF program includes providing assistance to families "so that children may be cared for in their own homes or in the homes of relatives." The program purpose also includes reducing dependence on cash assistance by promoting work and marriage, preventing out-of-wedlock pregnancies, and promoting the formation and maintenance of two-parent families.

TANF dollars are distributed to states on a formula basis that reflects the states' historical spending on assistance for low income families. States are required to provide their own funding toward meeting the purposes of the block grant, known as the Maintenance of Effort (MOE). To meet the MOE requirement, states must maintain 75 to 80 percent of their historical spending on assistance to low income families. The program may be administered by the state or county level TANF agency. Programs can vary widely because states have a lot of flexibility in how the funds are used. Cash assistance comprises approximately 30 percent of how states use federal and state

2012 Advocates' Guide to Housing & Community Development Policy

TANF funds. States typically commit substantial portions of their TANF dollars toward meeting childcare needs. States also use the funds for work preparation activities including job training, education, rehabilitative services, and subsidized employment. With the availability of TANF ECF funds, states significantly increased their use of subsidized employment to assist families, which is credited with helping thousands of families from falling into deeper poverty.

Some states use TANF resources to help meet the housing needs of families, including through the use of short- or medium-term rental assistance, eviction prevention assistance, and security deposit and first month's rent to help families exit shelter. In some states, TANF resources are also used to support shelters and transitional housing programs serving families. With TANF ECF funds, states also crafted new partnerships with homeless service programs to help support families facing homelessness with prevention and rapid re-housing services.

Eligibility criteria for TANF cash assistance and TANF-funded services are largely determined by the state. Typically, households with children and very limited incomes are eligible for TANF cash assistance. Immigrant families cannot receive federally funded TANF assistance unless they have resided in the United States for more than five years, and federal TANF resources cannot be used to provide assistance to families beyond five years. States can choose to use MOE funds to support families who cannot be supported with federal TANF assistance.

Nationally, 1.9 million families receive cash assistance. The number of families receiving assistance has declined by over 60 percent since TANF was enacted in 1996. Only 40 percent of income-eligible families receive TANF cash assistance and data from homelessness assistance programs indicate that fewer than 20 percent of families entering transitional housing programs receive TANF cash assistance. Families who are not receiving cash assistance include those who have been sanctioned off because they have not complied with program requirements or who have reached their state's time limit. Studies have found that families who have lost TANF cash assistance through sanctions are more likely than other families to include a person with a disability.

TANF cash assistance is an important source of financial support for families without other sources of income. Benefit levels are set by each state, and are typically well below what families need to pay for housing. The average cash assistance benefit for a family of three is under \$500 a month. An analysis by the Center on Budget and Policy Priorities found that only one state provided families with cash assistance over 50 percent of the federal poverty level and cash assistance benefits in 20 states leave families below 25 percent of the federal poverty level. Families served by TANF programs have high rates of housing instability and homelessness, likely due to their very low incomes. The loss of TANF cash assistance due to sanctions or time limits can increase the risk of housing instability and homelessness.

Families in need may have stopped seeking assistance from their state TANF agency. Throughout the recession, there were sharp increases in food stamp and unemployment compensation caseloads. In many communities, more and more families are turning to emergency shelter and homelessness prevention programs. Yet in many states, welfare caseloads have not significantly expanded to meet the increased needs of families.

FUNDING

The TANF block grant provides \$16.6 billion annually to states. States are required to provide their own funding for the purposes of the block grant, known as the Maintenance of Effort.

WHAT ADVOCATES NEED TO KNOW NOW

The failure to extend the TANF ECF, significant shortfalls in state budgets, and the declining value of the TANF block grant puts TANF funded initiatives for low income families at significant risk even though the need for support remains acute. State level advocates will likely focus on preserving support to families under TANF and fight efforts to reduce cash assistance, restrict access to assistance, or to suspend critical services.

Advocates should attend to state and federal proposals that could expand or restrict access to financial assistance and work supports for low income families. A strong performing income and employment support program is critical to help low income families access and maintain housing in their community.

Many states consider the initiatives funded by TANF ECF, such as new collaborations with homeless service providers and subsidized employment, to be successful ones. Though state resources may be constrained, there may be state level interest in maintaining or building on successful initiatives.

TIPS FOR LOCAL SUCCESS

Local homelessness and housing advocates should develop partnerships with state and local organizations advocating for improved TANF income and employment supports for low income families. Through collaboration, housing and welfare advocacy organizations can propose solutions that meet the holistic needs of low income families.

WHAT TO SAY TO LEGISLATORS

Local advocates should educate their Congressional delegation about how TANF resources are being used to meet the needs of families in their state and the need for more funding for the TANF block grant.

FOR MORE INFORMATION

Center on Budget and Policy Priorities • 202-408-1080 • www.cbpp.org

Center on Law and Social Policy • 202-906-8000 • www.clasp.org

National Alliance to End Homelessness • 202-638-1526 • www.endhomelessness.org

5

LOCAL TOOLS

AFFIRMATIVELY FURTHERING FAIR HOUSING & THE ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

States and local governments must certify that they are affirmatively furthering fair housing (AFFH) in their Consolidated Plans (ConPlans) and Public Housing Agency Plans (PHA Plans). In order to comply, these jurisdictions must have an Analysis of Impediments to Fair Housing Choice, also known as an AI.

While these requirements have historically been overlooked, affirmatively furthering fair housing takes on new importance in the wake of a court decision on an AFFH case in Westchester County, NY and renewed attention from HUD under the Obama administration.

HISTORY

Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act) requires HUD to administer its programs in a way that affirmatively furthers fair housing. The laws that establish the Community Development Block Grant (CDBG) program, the Comprehensive Housing Affordability Strategy (CHAS), and the PHA Plan each require jurisdictions to certify in writing that they are affirmatively furthering fair housing. States must assure that units of local government receiving CDBG or HOME funds comply.

Further, HUD's *Fair Housing Planning Guide* states that the obligation to affirmatively further fair housing applies to all housing and housing-related activities in a jurisdiction, whether publicly or privately funded.

SUMMARY

Affirmatively furthering fair housing is defined in CDBG and ConPlan regulations as:

- Having an Analysis of Impediments to Fair Housing Choice (AI).
- Taking appropriate actions to overcome the effects of impediments.
- Keeping records reflecting the analysis and showing actions taken.

The regulations for public housing and vouchers are similar.

In the context of an AI, an 'impediment' to fair housing can be an action or an inaction that restricts housing choice or that has the effect of restricting housing choice. Some policies or practices might seem neutral but in fact can deny or limit the availability of housing. Obvious impediments include outright discrimination based on race or ethnicity, refusing to rent to families with children, or insurance practices that reinforce segregated housing patterns. Less obvious impediments include lack of large rental units, inadequate multilingual marketing, zoning that limits group homes, and insufficient public transportation to areas with affordable housing.

AIs are their own separate documents, the contents of which are not prescribed by HUD. There is no specific term for a PHA's analysis of impediments. They are available to the public. HUD's *Fair Housing Planning Guide* defines an AI as:

- 1) A comprehensive review of a jurisdiction's laws, regulations, and administrative policies, procedures, and practices.
- 2) An assessment of how those laws, regulations, and practices affect the location, availability, and accessibility of housing.
- 3) An assessment of conditions, both public and private, affecting fair housing choice for all protected classes. The protected classes are race, color, religion, sex, national origin, disability and familial status (in other words, households with children).
- 4) An assessment of the availability of affordable, accessible housing in a range of unit sizes.

The *Fair Housing Planning Guide* explains that analyzing fair housing impediments and taking appropriate actions means:

- Eliminating housing discrimination in the jurisdiction.
- Promoting fair housing choice for all.
- Providing housing opportunities for people of all races, colors, religions, genders, national origins, disabilities and family types.
- Promoting housing that is structurally usable by all people, particularly those with disabilities.
- Fostering compliance with the nondiscrimination features of the Fair Housing Act.

The name of the agency or department that will have an AI varies from locality to locality. Generally, the office that manages the CDBG program should be able to provide a copy, and the public housing agency (PHA) should have a copy of its own analysis. In addition, advocates can contact the Fair Housing and Equal Opportunity (FHEO) staff at their HUD Regional Office.

AIs are not submitted to HUD and they are not a formal piece of any CDBG document such as the ConPlan's Annual Action Plan or Five-Year Strategy. However, a September 2, 2004

HUD Policy Memorandum says that a jurisdiction may include in its Annual Action Plan the actions it plans to take in the upcoming year to overcome the effects of impediments to fair housing. Note that this is only a ‘may,’ not a ‘must;’ in addition, many jurisdictions do not know this policy memorandum exists. Also, some jurisdictions point to a part of their ConPlan or Action Plan called ‘barriers to affordable housing’ and claim that to be the AI. The law creating the CHAS (the statutory root of the ConPlan) requires such a discussion, but this is not an AI. Examples of barriers to affordable housing in the law include tax policies and building fees.

Timeframe. According to the *Fair Housing Planning Guide*, AIs must be updated in cycle with the timeframe of a ConPlan. So, theoretically, if a jurisdiction has to come up with a new ConPlan every five years, then it should also revise its AI at the same time. However, the September 2, 2004 HUD Policy Memorandum states that a jurisdiction “should update, where appropriate, its AI... to reflect the current fair housing situation in their community,” and that “each jurisdiction should maintain its AI and update the AI annually where necessary.” That policy memorandum also implies that jurisdictions that do not make appropriate revisions to update their AIs could face problems. Because much can change before a five-year ConPlan update, advocates might want to be sure that their jurisdiction’s AI is up-to-date and reflects all impediments.

Public participation. Unfortunately, the regulations do not directly tie public participation in CDBG, the ConPlan, or the PHA Plan with the AI. However, the *Fair Housing Planning Guide* offers a few words that advocates might be able to use: “Since the FHP [Fair Housing Plan] is a component of the Consolidated Plan, the citizen participation requirements for the Consolidated Plan apply.” The introduction to the *Fair Housing Planning Guide* stresses that “all affected people in the community must be at the table and participate in making those decisions. The community participation requirement will never be more important to the integrity, and ultimately, the success of the process.”

The *Fair Housing Planning Guide* also suggests that, before developing actions to eliminate the effects of impediments, a jurisdiction “should ensure that diverse groups in the community are provided a real opportunity” to take part in the process of developing actions to be taken. HUD “encourages jurisdictions to schedule meetings [for public comment and input] to coincide with those for the Consolidated Plan.”

Monitoring compliance.

Before the start of the CDBG, HOME, or public housing program year: In order to get CDBG, HOME, or public housing money, jurisdictions must certify that they are affirmatively furthering fair housing. All annual plans have this written certification, signed by the authorized official. There must be evidence that supports this pledge, and such evidence must be available to the public.

HUD can disapprove a PHA Plan or a ConPlan (and therefore block receipt of CDBG and HOME dollars) if a certification is inaccurate. The September 2, 2004 policy memorandum gives examples of inaccurate:

- 1) There is no AI.
- 2) The AI is substantially incomplete.
- 3) No actions were taken to overcome the impediments.
- 4) The actions taken were ‘plainly inappropriate’ to address impediments.
- 5) There are no records.

Another situation that could cause HUD to look more carefully at an AI is the failure to make “appropriate revisions to update the AI.” (September 2, 2004, Memorandum) This can be an important advocacy tool in years between new five-year ConPlans and PHA Plans. If there are major changes in conditions for people who are members of protected classes, advocates should make sure the AI is revised to show those changed conditions.

In general, if advocates think that a jurisdiction’s AI is inadequate or that the jurisdiction has not taken reasonable actions to overcome impediments to fair housing, they should write a complaint to the FHEO Regional Office.

CDBG regulations also allow a certification to be challenged if there is evidence that a policy, practice, standard, or method of administration that seems neutral really has the effect of significantly denying or adversely affecting fair housing for persons of a particular race, color, religion, sex or national origin. PHA Plan regulations also claim that a certification can be challenged.

At the end of the CDBG or HOME program year: In the Annual Performance Report related to the ConPlan, called the ‘CAPER,’ a jurisdiction must include a summary of the impediments to fair housing, and it must have a description of the actions taken in the past year to overcome the effects of impediments

If advocates think that the actions taken to overcome impediments to fair housing were inadequate, it is important to write a complaint to the jurisdiction and to send a copy to the FHEO Regional Office.

Records to be kept. CDBG regulations require jurisdictions to keep three types of records:

- 1) Documents showing the impediments and the actions carried out by the jurisdiction with CDBG and other money to remedy or lessen impediments.
- 2) Data showing the extent to which people have applied for, participated in or benefited from any program funded in whole or in part with CDBG.
- 3) Data indicating the race, ethnicity and gender of those displaced as a result of CDBG use, plus the address and census tract of the housing to which they were relocated.

Affirmatively Furthering Fair Housing

A February 9, 2007 Joint Memorandum from the Assistant Secretaries for HUD's Office of Fair Housing and Equal Opportunities (FHEO) and Office of Community Planning and Development (CPD), which administers CDBG and HOME, suggests that a jurisdiction keep for the record: (1) copies of local fair housing laws and ordinances, (2) the full history of the development of its AI, (3) options available for overcoming impediments, (4) a list of those consulted, (5) planned actions and actions taken, and (6) issues that came up when actions were carried out.

The *Fair Housing Planning Guide* also suggests that jurisdictions keep transcripts of public meetings or forums and public comments or input, a list of groups participating in the process, and a description of the financial support for fair housing, including funds or services provided by the jurisdiction.

WHAT ADVOCATES NEED TO KNOW NOW

Since the summer of 2009, HUD has stated its intention to create a proposed rule concerning jurisdictions' obligation to affirmatively further fair housing choice. That summer, the public was invited to offer ideas via email and at a HUD listening session.

In November 2011, HUD invited fair housing advocates to a meeting to present an overall picture of how the proposed AFFH rule was shaping up. HUD will provide extensive data to jurisdictions and PHAs that will also be publicly available in a way that the public can independently analyze it through simple software. The data HUD provides will be a starting point that jurisdictions and PHAs can supplement with locally generated data.

The AI will be revamped and called the Assessment of Fair Housing (AFH). It will look at disproportionate poverty by protected class, segregation, concentrations of race and poverty, and disparate access to areas of opportunity. The AFH will also ask for a discussion of the fair housing 'infrastructure,' that is, the organizations and processes that exist that attempt to address fair housing. HUD will provide new guidance that will include a template for jurisdictions and PHAs to follow.

The last section of the AFH will require clear statements of priorities and goals. These priorities and goals must be substantial and subsequent ConPlans, Annual Plans and PHA Plans will refer to them. The goals will include desegregation, ending race and poverty concentrations, addressing disparate impacts and access to opportunities. Simply listing goals will not be sufficient; there will have to be follow-through.

HUD stated that the public participation process regarding the AFH will be "robust." There is an expectation that fair housing groups will be heavily involved. The formal public participation process will call for:

- 1) Consultation in the development of the AFH, especially with FHIPs, FHAPs and others with expertise.
- 2) A formal public hearing.

- 3) Documentation in the AFH of community comments about it.

The AFH will remain separate from the ConPlan and PHA Plan, but each will have explicit links to the AFH. The AFH will be required to have the same frequency as the ConPlan and will have to be updated as needed. The rule will require a revised AFH if there are major changes, such as natural disasters.

On January 17, 2012, HUD submitted its draft proposed AFFH regulations to the Office of Management and Budget (OMB) for review. OMB has 90 days to review and comment, at which time HUD will have an opportunity to respond to OMB's comments.

HUD Takes Five Significant AFFH Actions Since 2009

Houston, TX. In November 2011, HUD rejected Houston's AI as "incomplete and unacceptable" because, among a long list, it failed to identify and take actions to address patterns of segregation based on race and national origin. The AI also failed to address access to housing and services for persons with disabilities and persons with limited English proficiency.

Joliet, IL. In a January 29, 2010 letter, HUD disapproved Joliet's FY10 ConPlan in part because its AI was 12 years old and did not discuss impediments. HUD also cited the impact on protected classes of the city's history of public and assisted housing demolition without adequate replacement opportunities. The city signed a Letter Agreement that included an obligation to complete a new AI. On May 25, 2011 HUD once again disapproved a draft AI. To date, HUD has not accepted Joliet's FY11 or FY12 action plans, holding up receipt of CDBG and HOME dollars for those years until there is compliance.

Marin County, CA. After a routine HUD review of the county's CDBG program, Marin signed a Voluntary Compliance Agreement (VCA) on December 21, 2010. AFFH was one noncompliance problem. The county agreed to many VCA provisions, including assessing whether there is underrepresentation of racial and ethnic groups or people with disabilities in Marin's existing affordable housing. It also agreed to assess whether a pattern exists from the past 10 years or more of CDBG and HOME housing development that perpetuates segregation, and if so, to take actions such as giving priority to future use of CDBG and HOME for affordable housing outside areas of minority concentration.

State of Texas. As the result of an October 2009 complaint filed by the Texas Low Income Housing Information Service, HUD rejected the State of Texas' Disaster CDBG Plan, putting \$1.7 billion on hold. Among the problems HUD cited was the fact that the state had not updated its AI since 2003, even though hurricanes had clearly changed the housing market. A May 25, 2010 conciliation agreement required Texas to update its AI.

Westchester County, NY. Ruling on an April 2006 suit brought by the Anti-Discrimination Center, a U.S. District Court ruled on February 24, 2009 that Westchester County's AI had "utterly failed." On August 10, 2009, HUD and the county entered into a court settlement. The county agreed to, among other obligations, use \$51.6 million of its own resources to develop at least 750 new units of affordable housing over the next seven years, with at least 630 of these units in municipalities and neighborhoods with low ratios of people of color. Westchester also agreed to submit a revised AI.

On December 21, 2010, HUD rejected the county's revised AI as "substantially incomplete." In order to approve a Westchester AI, HUD stated that the county must identify specific actions it would take to further fair housing choice and submit an AI by April 1, 2011 that addressed a number of deficiencies, including setting forth:

- Specific steps the county would take to overcome the exclusionary zoning practices of its municipalities.
- Strategies it would use to ensure that, as the county develops affordable housing, it is reducing patterns of racial and ethnic segregation.
- Actions it would take to promote legislation prohibiting source of income discrimination, such as refusing to rent to households with vouchers.

On July 13, 2011, HUD notified Westchester it rejected the county's certification that it was affirmatively furthering fair housing. Therefore, HUD also disapproved the county's FY11 Annual Action Plan, resulting in a halt to the receipt of more than \$7 million in Community Development Block Grant (CDBG), HOME, and Emergency Shelter Grant (ESG) funds.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

HUD's Office of Fair Housing and Equal Opportunity (FHEO): http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp

HUD's Affirmatively Furthering Fair Housing webpage: http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh

HUD's *Fair Housing Planning Guide*, Vol. 1 (#HUD-1582B-FHEO) is available at www.hud.gov/offices/fheo/images/fhpg.pdf. [Vol. 2 (#HUD-1582A-FHEO) is out of print. It was less useful because it was mainly samples.]

HUD's Office of Affordable Housing has a good chapter summarizing the *Fair Housing Planning Guide*, "Affirmatively Furthering Fair Housing" (page 18) in Fair Housing for HOME Participants: <http://portal.hud.gov/hudportal/documents/huddoc?id=fhpg.pdf>.

September 2, 2004 Memorandum from HUD's Community Planning and Development Office (CPD): www.hud.gov/offices/fheo/library/finaljointletter.pdf

February 9, 2007 Joint Memorandum from Assistant Secretaries for CPD and FHEO: <http://portal.hud.gov/hudportal/documents/huddoc?id=fairhousing-cdbg.pdf>

Information about the Westchester County case: www.antibiaslaw.com/westchester-false-claims-case

CONSOLIDATED PLAN

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

The Consolidated Plan, popularly called the ConPlan, merges into one process and one document all the planning and application requirements of four HUD block grants: Community Development Block Grants (CDBG), HOME Investment Partnership, Emergency Shelter Grants (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) grants. When final regulations are published for the National Housing Trust Fund, it too would be integrated into the ConPlan. States, large cities, and urban counties that receive any of these grants must have a ConPlan. In addition, Public Housing Authority Plans (PHA Plans) must be consistent with the ConPlan. The ConPlan is a tool advocates can use to influence how federal housing and community development dollars are spent in their communities.

ADMINISTRATION

The ConPlan process is guided by HUD's Office of Community Planning and Development (CPD).

HISTORY

The statutory basis for the ConPlan is the Comprehensive Housing Affordability Strategy (CHAS), a provision of the Cranston-Gonzalez National Affordable Housing Act of 1990. The CHAS established a state and local planning process that determined housing needs and assigned priorities to those needs. In order to receive CDBG, HOME, ESG or HOPWA dollars, jurisdictions had to have a CHAS. In 1995, HUD amended the CHAS regulations to create the ConPlan; there is no ConPlan statute.

The ConPlan regulations interwove the planning, application and performance reporting processes of the four block grants and the CHAS, resulting in one long-term plan (the ConPlan's Strategic Plan), one 'application' document (the Annual Action Plan) and one set of performance reports (the Consolidated Annual Performance and Evaluation Report (CAPER), which includes CDBG's Grantee Performance Report or GPR).

SUMMARY

Jurisdictions develop ConPlans at least once every five years in the form of the long-term Strategic Plan, and must update them annually in the Annual Action Plan.

There are seven key elements of the ConPlan.

(1) Housing and community development needs. The ConPlan must estimate housing needs for the upcoming five years. It must also describe "priority non-housing community development needs." HUD's regulations say the needs in the ConPlan should reflect the public participation process and the ideas of social service agencies, and those needs "shall be based on any other reliable source." NLIHC's *Out of Reach* and Congressional District Profiles are excellent sources of data (available at www.nlihc.org).

The ConPlan must estimate housing needs by:

- Income categories, including households with incomes below 30% of the area median income (AMI), called extremely low income; between 30% and 50% of AMI (low income), between 50% and 80% of AMI (moderate income), and between 80% and 95% of AMI (middle income).
- Family type, including small families (2-4 people), large families (5+), individuals and elderly households.
- Tenure type (whether the household rents or owns).

The ConPlan must also:

- Estimate the need for public housing and Housing Choice Vouchers (Section 8), referring to waiting lists for those programs.
- Summarize the number of people who have a housing cost burden (pay more than 30% or 50% of their income), live in very poor quality housing, or live in overcrowded housing.
- Estimate the housing needs for persons with HIV/AIDS and for persons with mental or physical disabilities. The ConPlan must show the supportive housing needs of those with physical or mental disabilities.
- Estimate the housing needs of victims of domestic violence.
- Summarize the nature and extent of homelessness. The need for homeless facilities and services for individuals must be discussed separately from those for families, noting also the needs of those who have some form of shelter and those who do not. The need for facilities and services for homeless sub-populations (for example, those with drug addiction) must be described. The ConPlan must describe the characteristics and needs of people who are housed, but who are threatened with homelessness.

(2) Housing market analysis. The housing market analysis requires a description of key features of the housing market, such as the supply of housing, demand for housing, and the condition and cost of housing. It must show areas where low income people and different races and ethnic groups are concentrated, though this requirement does not apply to state ConPlans.

An inventory of facilities and services for homeless people must be included, with categories for both emergency shelters and transitional housing. A description of facilities and services for people who are not homeless but require supportive housing must be included. The housing stock available to serve people with disabilities and with HIV/AIDS must also be described, except in the case of state plans.

Public housing developments must be identified and the number of public and assisted housing units (e.g., Project-Based Section 8) must be given. The condition of public and assisted housing and the type of household and income level served must be described.

The ConPlan must describe units currently assisted with federal or state funds that might be lost for any reason such as the end of a Section 8 contract, expiration of an FHA mortgage, or demolition or sale of public housing. To the extent that such information is available, the ConPlan should estimate the number of vacant or abandoned buildings and whether they are suitable for rehabilitation.

(3) Strategic Plan. This long-term plan must be done at least every five years. It must present the jurisdiction's specific objectives in measurable terms and estimate a timetable for achieving them. It must show a jurisdiction's priorities for distributing Community Planning and Development (CPD) money (encompassing each of the four block grant programs subject to the ConPlan) among categories of need and various neighborhoods. 'Needs' may refer to types of activities (such as rental rehabilitation) as well as demographic groups (such as extremely low income). The Strategic Plan must explain why a category of need is a priority, especially among the income groups. HUD's Tables 2A and 2B provide a snapshot of what is and is not a priority.

For housing, the regulations add that the Strategic Plan must explain the reasoning behind priority assignments and the proposed use of funds, and how the reasoning relates to the analysis of the housing market, the severity of housing problems, the needs of the various income categories, and the needs of renters versus those of owners. The number of families who will get affordable housing must be shown by the income categories of extremely low, low, and moderate. The Strategic Plan must also describe how the need for public housing will be met.

Priority homeless needs should be shown. There must also be a written strategy for helping people to avoid becoming homeless, reaching out to homeless people to determine their needs, addressing needs for emergency shelter and transitional housing, and helping homeless people make the transition to permanent housing.

(4) Anti-poverty strategy. The law calls for a description of goals, programs, and policies for reducing the number of people with incomes below the poverty level. It also requires

a statement of how affordable housing programs will be coordinated with other programs, and the degree to which they will reduce the number of people in poverty.

(5) Lead-based paint. The Strategic Plan must outline actions to find and reduce lead paint hazards.

(6) Fair housing. Each year the jurisdiction must certify that it is 'affirmatively furthering fair housing.' This means that it has an Analysis of Impediments (AI) to fair housing choice, is taking appropriate action to overcome the effects of impediments and keeps records. The AI is not required to be a part of the Strategic Plan or Annual Action Plan. Although HUD's official Fair Housing Planning Guide says an AI "must be completed/updated in accordance with timeframes for the Consolidated Plan," a more recent memorandum (September 2004) says that each jurisdiction "should maintain its AI and update the AI annually where necessary."

(7) Annual Action Plan. The Annual Action Plan must describe the activities the jurisdiction will carry out in the upcoming year, along with the reasons for making these allocation priorities. The activities must address the Strategic Plan's priority needs. The geographic areas that will get assistance in the upcoming year must be indicated, and the Annual Action Plan must give the reasons these areas have priority. Descriptions of uses of CDBG must include enough detail about each activity, including location, that people can determine the degree to which they are affected.

There must be an estimate of the number and type of households that will benefit (this does not apply to states). One-year goals for providing affordable housing to homeless, non-homeless, and special needs households must be provided, along with one-year goals for providing affordable housing through new construction, rehab, acquisition, or rental assistance.

States must describe how they will distribute funds to local governments and nonprofits, and there must be a description of all criteria used to select applications from localities. States must also describe how all CDBG money will be allocated among all funding categories (e.g., housing, economic development, public works, etc.).

The Annual Action Plan must indicate the activities that will be carried out in the upcoming year to address homelessness by meeting emergency shelter needs and transitional housing needs; preventing homelessness, especially for those with incomes below 30% of AMI; helping people make the transition to permanent housing and independent living; and meeting the special needs of people who are not homeless but have supportive housing needs.

The five steps of the ConPlan calendar are:

(1) Identify Needs. The CDBG and CHAS laws require a public hearing to gather the public's ideas on housing and community

development needs. HUD's regulations require this hearing to take place before a proposed ConPlan is published for comment.

(2) Proposed ConPlan. There must be a notice in the newspaper that a proposed ConPlan is available. Complete copies of the proposed ConPlan must be obtainable in public places such as libraries. A reasonable number of copies of a proposed ConPlan must be provided at no cost. There must be at least one public hearing during the development of the ConPlan (this does not apply to states). The public must have at least 30 days to review and comment on the proposed ConPlan.

(3) Final ConPlan. The jurisdiction must consider the public's comments about the proposed ConPlan, attach a summary of the comments to the final ConPlan, and explain in the final ConPlan why any suggestions were not used. A copy of the final ConPlan must be available to the public.

HUD can disapprove the final ConPlan for several reasons, including failure to follow public participation requirements, failure to satisfy all of the required elements or an inaccurate certification made by a jurisdiction (for example, failure of a jurisdiction to take appropriate actions to overcome impediments to fair housing).

(4) The Annual Performance Report. In this report the jurisdiction shows what it did to meet housing and community development needs. The report must include a description of the money available and how it was spent, the location of projects, and the number of families and individuals assisted broken down by income category, including those with incomes below 30% of AMI.

There are several public participation features related to the Annual Performance Report. There must be reasonable notice that a report is completed, and the report must be available to the public. The public has only 15 days to review and comment on it; nevertheless, the jurisdiction must consider public comments and attach a summary of the comments.

The Annual Performance Report contains a number of computer-based sets of records. Four of these are explicitly available to the public. One is the Grantee Performance Report (C04PR03). It applies only to CDBG, yet it provides detailed information about each activity funded by CDBG. Annual performance reporting requirements of the four block grant programs are also merged into a set of documents called the CAPER. The CAPER (C04PR06) is a general, aggregate picture of what the jurisdiction accomplished.

(5) Amendments to the ConPlan. The ConPlan must be amended if there are any changes in priorities, or in the purpose, location, scope, or beneficiaries of an activity, or if money is used for an activity not mentioned in the Action Plan. If there is a 'substantial amendment,' then public participation similar

to that for Annual Performance Reports is required, but with a 30-day comment period. HUD allows the jurisdiction to define substantial amendment. At a minimum, the regulations say that a substantial amendment must include a change in the use of CDBG funds, and a change in the way a state allocates CDBG money to small towns and rural areas.

Public participation. In addition to the public participation requirements mentioned in the previous paragraphs, each jurisdiction must have a written 'citizen participation plan' available to the public. The plan must provide for and encourage public involvement in the creation of the ConPlan, review of the Annual Performance Report, and any substantial amendment. It must encourage involvement by people with low incomes, especially in low income neighborhoods and areas where CDBG money might be spent. Jurisdictions are expected to take whatever actions are appropriate to encourage involvement by minorities, people who do not speak English, and people with disabilities. Jurisdictions must also encourage involvement by residents of public and assisted housing.

There must be reasonable and timely access to information and records relating to the ConPlan. The public must be able to review records from the previous five years that are related to the ConPlan and any use of federal money covered by the ConPlan. For local jurisdictions (not states) the public must have reasonable and timely access to local meetings, such as community advisory committee meetings and council meetings.

Public hearings must be held after adequate notice to the public. "Publishing small print notices in the newspaper a few days before the hearing is not adequate notice," the regulations say, but "two weeks' notice is adequate." Public hearings must be held at times and places convenient for people with low incomes. Where there are a significant number of people who do not speak English, the citizen participation plan must show how they can be involved. The jurisdiction must give written, meaningful and timely responses to written public complaints (15 days is considered timely if the jurisdiction gets CDBG).

WHAT ADVOCATES NEED TO KNOW NOW

In May 2011, HUD announced its ConPlan Enhancement effort to provide extensive data sets and a simple electronic mapping capacity it would provide to all jurisdictions in order to improve and simplify the ConPlan process. With HUD-provided data and mapping capacity, policy makers and the public will have much more data for better-informed planning based on neighborhood-specific affordable housing needs assessments.

In addition, HUD indicated its intent to enable jurisdictions to submit the ConPlan Five-Year Strategic Plan and subsequent Annual Action Plans using an electronic template tied into CPD's management information system known as IDIS. Because the new ConPlan system will be based on an electronic template, all of the data will be online and could be sorted by the public as well by policymakers.

The prototype system enables jurisdictions to map the location of existing public housing units, HUD-assisted multifamily units, and LIHTC units. It will eventually display HOME, CDBG, NSP, ESG, HOPWA, and NHTF units, as well as CDBG-assisted businesses and social service providers. Other information in the mapping prototype includes census tracts with 51% occupancy by households with incomes below 80% of the area median income, areas with high concentrations of Housing Choice Vouchers, and areas with concentrations of older housing stock. CPD also plans to include Continuum of Care planning data, units assisted by the U.S. Department of Agriculture's Rural Development programs, and data which will help jurisdictions comply with the Fair Housing Law's obligation to affirmatively further fair housing (AFFH).

All work is to be completed by April 2012, at which time jurisdictions will be required to use the new system. The prototype system is available at <http://egis.hud.gov/cpdmaps>.

TIPS FOR LOCAL SUCCESS

The ConPlan is a potentially useful advocacy tool for directing funds toward activities more beneficial to people with low incomes because jurisdictions must provide for and encourage public participation, particularly by people with low incomes. Advocates and residents should monitor the needs assessment and priority setting processes, making sure that all needs are identified and assigned the level of priority they deserve. Through the Annual Action Plan's public participation process, advocates and residents can strive to ensure that federal dollars are allocated to activities that will truly meet those high priority needs.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

HUD's Consolidated Plan is at: www.hud.gov/offices/cpd/about/conplan

The prototype mapping tool for the Consolidated Plan Enhancement is at: <http://egis.hud.gov/cpdmaps>. HUD anticipates an improved system will be available Spring 2012.

CONTINUUM OF CARE PLANNING PROCESS

By Norm Suchar, Director of Capacity Building, National Alliance to End Homelessness

The Continuum of Care (CoC) planning process is the process used by communities to apply for funding from several of HUD's McKinney-Vento Homeless Assistance programs. (Funding for HUD's Emergency Solutions Grant program is provided through a different process.) Through the CoC planning process government agencies, service providers, advocates and other stakeholders evaluate the needs of homeless people in the community, assess performance of existing activities and prioritize activities going forward. The CoC process was introduced by HUD in the mid 1990s. It was codified into law by congress through the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009.

ADMINISTRATION

The program is administered by HUD's Office of Special Needs Assistance Programs, which is overseen by HUD's Assistant Secretary for Community Planning and Development.

HISTORY AND PURPOSE

The CoC process was developed by HUD in 1994 to coordinate the distribution of several competitive homeless assistance programs. Prior to the CoC process, organizations applied individually for funding from several programs. As a result, there was little coordination between these programs or between different organizations receiving funding in the same community. The CoC process was established to promote coordination within communities and between programs. It was also designed to bring together a broader collection of stakeholders. Guidelines for the CoC planning process were included in annual Notices of Funding Availability (NOFAs), and HUD regularly modified the process. On May 20, 2009, President Obama signed the HEARTH Act (PL 111-22), providing Congressional authorization of the CoC process.

SUMMARY

The Continuum of Care planning process is typically organized by either a local government agency or a large community-based nonprofit. The geography covered by a CoC can vary, covering an entire city, state or a collection of counties. The goal of the CoC process is to create an annual plan to address homelessness. The CoC process involves compiling information about homelessness in the community, including information about homeless populations and inventories of homeless assistance resources. These are used to develop a list of priorities for funding, which help determine how much funding a community will receive and for what projects. HUD's annual homeless assistance Notice of Funding Availability (NOFA) is typically issued in late summer or early fall, with an application deadline later in the fall. Though the application process happens only once per year, CoC planning is usually a year-round process. HUD's McKinney-Vento funding awards are typically made in two stages, with decisions about renewal

projects made in the late fall, and decisions about new projects made the following spring.

The term 'Continuum of Care' is used many different ways and can refer to the planning process, the collection of stakeholders involved in the planning process, the geographic area covered by the CoC, or the actual grant received from HUD.

In recent years, HUD has required coordination between CoCs and local planning bodies that are preparing ten-year plans to end homelessness. Ten-year plans are intended to provide community-wide strategies for ending homelessness, including use of McKinney-Vento funding but also including use of other HUD funding such as Section 8, the Community Development Block Grant (CDBG) program, or the HOME Investment Partnerships Program, as well as other federal, state, and local funding.

In 2009, the HEARTH Act reauthorized the housing title of the McKinney-Vento Act. HUD began issuing regulations in 2011, with the release of interim regulations on the Emergency Solutions Grant (ESG) and Homeless Management Information Systems (HMIS) and a final regulation on the definition of homelessness. Additional regulations are expected in the spring and summer of 2012.

Key changes made by the HEARTH Act include changes to outcome measures, funding incentives, eligibility for assistance, matching requirements, rural assistance and administrative funding. Several of these changes have already been implemented, including requirements regarding coordination with homeless children's schools.

WHAT ADVOCATES NEED TO KNOW NOW

There are several important local and national policy issues related to the CoC planning process. At the local level, ensuring broad participation among stakeholders and promoting access to mainstream resources are the most critical issues. The CoC planning process is intended to focus on the needs of homeless people in the community and should focus on the most

effective strategies for reducing homelessness. Yet the process often ends up serving the needs of incumbent providers, even when they are ineffective, and people who are perceived to be more deserving of assistance, rather than those who are in greatest need. Similarly, accessing mainstream resources that are supposed to be available for low income people generally is often difficult for homeless people. For example, there are often numerous barriers for homeless people to access employment services, housing assistance, cash assistance, and treatment services. Advocates play a crucial role in ensuring that the CoC process expands access to mainstream resources and ensures that existing resources are used most effectively.

For national advocates, access to mainstream programs is also an important topic, as is the lack of funding provided by the federal government for CoC activities. The HEARTH act placed more of the responsibility for measuring outcomes and overseeing performance on the leaders of local CoCs. The HEARTH act also authorized funding for these entities. However, Congress has not provided enough funding to enable HUD to provide funding for local administration, planning and oversight of the CoC.

TIPS FOR LOCAL SUCCESS

For CoCs to be most effective, it is important that all key stakeholders have a seat at the table. In many communities, the needs of children, veterans, people with disabilities, youth and domestic violence survivors are not always adequately represented. Advocates should work to ensure that they are part of the CoC process. By joining their local CoC, advocates can shape a community's priorities in addressing homelessness for current and emerging populations.

The CoC process is becoming more focused on data and outcomes. All stakeholders should participate in data collection efforts whenever appropriate, and ensure that programs are achieving good outcomes. Information about the CoC process and the local CoC coordinator can be found at the Homelessness Resource Exchange website.

FOR MORE INFORMATION

National Alliance to End Homelessness • 202-638-1526 • www.endhomelessness.org

National Coalition for the Homeless • 202-462-4822 • www.nationalhomeless.org

National Law Center on Homelessness & Poverty • 202-638-2535 • www.nlchp.org

HUD Homelessness Resource Exchange • www.hudhre.info.

INCLUSIONARY HOUSING PROGRAMS

By Patrick Maier, Executive Director, Innovative Housing Institute

Inclusionary housing requires or incentivizes the development of affordable housing along with the development of market-rate housing. In most cases, this takes the form of a local ordinance or policy that requires all developments of a certain size (for example, 10 or more homes) to include some percentage of affordable housing. Because it is dependent on market-rate production of homes there has been little activity across the country since the national housing crisis, and that downturn has led to program suspensions and retrenchment in some areas.

ADMINISTRATION

Inclusionary housing policy adoption is a matter of local and state self-determination. The authority to implement it stems from the 'police power,' the capacity of the states to regulate behavior and enforce order for the betterment of the general welfare. It is typically administered on a local level through coordination between local housing departments and planning authorities.

HISTORY AND PURPOSE

Since the 1970s more than 400 local governments and a number of states have implemented inclusionary housing programs, resulting in the production and preservation of hundreds of thousands of affordable homes. Because of the relationship of these affordable homes to market-rate development, many of these homes have been built in very desirable locations near jobs and opportunity and in affluent communities where federal and state housing subsidies have not typically been used. Because inclusionary programs typically rely on zoning incentives and development waivers the creation of these homes has not required a new public funding source for the affordable housing. These incentives can take the form of up-zoning, where a given piece of land is rezoned to allow for more development, thereby increasing its value; density bonuses which allow the developer to build more homes if affordable homes are also provided; and development waivers, such as parking reductions, which make it easier or less expensive to build homes. A number of communities also offer specific financial contributions to help make the affordable homes possible, or to serve lower income households in the affordable homes.

PROGRAM SUMMARY

Most people are familiar with exclusive communities and neighborhoods. These are areas where the homes are very expensive, where there may be gates or guards to keep unwanted people out, and where there may be unspoken preferences as to who is able to live there. Inclusionary housing policy turns exclusivity on its head. It seeks to include all those who work in a community or who aspire to live there.

What is important to know is that inclusionary housing policy adoption is a matter of local and state self-determination. The

ability to plan a community and decide what kind of community people want is usually a matter of local political decision making when master plans are adopted, new development is planned, or when rezoning occurs. This is where advocacy for inclusionary housing can make a difference.

Inclusionary housing programs contribute to the creation of mixed income, diverse, and integrated communities by requiring developers to incorporate affordable homes within the context of a larger development. Sometimes, rather than build affordable homes as part of a market rate development, developers are able to build or rehabilitate homes nearby, or to make financial contributions to an affordable housing development fund to be used within that same jurisdiction. Because active participation of the private sector developer is a key ingredient in the inclusionary program, program requirements often permit alternative methods of providing affordable homes.

Although some jurisdictions have 'voluntary' inclusionary programs, the vast majority of jurisdictions require compliance. Most programs mandate that 10-20% of the homes developed be affordable. The homes provided may be either for sale or rental. Income eligibility varies widely, but most programs serve households with incomes that range from low to moderate income levels (50-120% of median income). Prices and rents are usually established by the program manager at a level affordable to households within this range.

In most jurisdictions, households interested in an inclusionary home apply and are qualified through the local program manager. Typically this is the local housing and community development agency, but sometimes this function is performed by a community land trust or other nonprofit. A few jurisdictions are able to serve extremely low income households by enabling purchase by housing agencies or nonprofits, which in turn can apply additional subsidies.

Maintaining the affordability of an inclusionary home over a substantial period of time is an important element of program management. Having the ability to resell or re-rent an affordable home to another qualified household maintains a stock of affordable housing in a community. Most jurisdictions require the homes to remain affordable for the long term;

30 to 50 years is not uncommon, and some jurisdictions mandate affordability in perpetuity. This requires a robust administrative function and continuous education and support to the households who are beneficiaries of the program.

FUNDING

One of the great advantages of inclusionary programs is that there is not a significant dollar cost for the creation of the affordable home. This is because inclusionary programs trade on the power of the market and provide incentives and regulatory waivers to builders and developers who are producing market-oriented homes. The corollary is that inclusionary housing works best where the housing market is strong; that is, where private builder developers want to build because they believe there is strong market potential and that people will buy or rent the homes they build.

It is important to note, however, that program administration requires a set of skills that are often not present in local government. In implementing and running a program, communities must be willing to invest resources in good staff that can handle the wide range of duties associated with a successful program. Funding for ongoing program administration is also important.

WHAT ADVOCATES NEED TO KNOW NOW

In 2012 we are still suffering from the most drawn-out and devastating housing slumps since the Great Depression. It presents opportunities to learn from the lessons of this manmade catastrophe and to advocate for positive changes. One lesson is that low and moderate income households were not well served by being encouraged to take on more mortgage debt than they could handle. Too many families have lost homes, had their credit destroyed, and experienced the stress of financial disaster to repeat the mistakes of the last decade.

Yet the ability to buy or rent a home in a good, safe community is denied to many lower income households because of the effective income segregation and lack of affordable housing that continues in many parts of the country. This is where an inclusionary policy offers a positive alternative: a modest home at a reasonable price in a good community.

It is important for housing advocates to support and work to strengthen existing inclusionary policies around the country. Opponents of inclusionary policy are actively working to undermine and eliminate existing laws, claiming that housing affordability is a problem of the past.

Advocates should also know that inclusionary housing can serve very low and extremely low income households. This is possible by taking the affordable home created by the market-oriented developer and further subsidizing it using project-based Section 8, HOME funds, or local or state level housing trust funds. This results in a new home that is very affordable at significantly less cost than creating it through just the

PROGRAM FACTS

- Inclusionary Housing is a land use policy that uses zoning and planning tools to provide for affordable housing in relationship to the development of market rate housing.
- It is not a federal program at this time, although the federal Sustainable Communities Initiative is strongly supportive of inclusive practices.
- Inclusionary programs are found at the local and state level, particularly where high housing costs has made it difficult for persons with low and moderate incomes to afford a home. Over 400 jurisdictions nationally have some form of inclusionary housing policy.
- Because the policies are developed at the local and state level they vary from community to community as they are attuned to local needs and circumstances.

expenditure of public subsidies. And it is more likely to be in an opportunity-rich location. Most existing inclusionary housing programs do not take this next step to serve very low and extremely low income households, but they should be encouraged to do so, and low income housing advocates' knowledge of this possibility will expand the usefulness of the program.

Changing land use law and planning an inclusionary housing ordinance that will work in a community takes time and political strength. Coalitions should include all parts of the community: employers, religious organizations, students, those who provide essential services and unions. In some states, the power to change local land use laws is restricted at the state level and successful coalitions would have to operate at the state level to gain authority for local adoption of inclusionary policies.

The federal Sustainable Communities Regional Planning Grant Program supports metropolitan and multi-jurisdictional planning efforts that integrate housing, land use, economic and workforce development, transportation and infrastructure investments. This program promotes social equity, inclusion, and access to opportunity. One of the housing strategies suggested by the program is the use of inclusionary zoning. While this program was funded at \$150 million for FY10 and \$100 million for FY11, funding for it was cut in FY12. The President has included funding of \$100 million for this purpose in the proposed FY13 budget and affordable housing advocates should support this budget allocation. Advocates should contact Members of Congress and to express support for this element of HUD's budget. The metropolitan planning efforts that result from this funding may help change the dynamic of regions separated by race and class and promote fair housing choice for all income levels.

FOR MORE INFORMATION

Innovative Housing Institute • 410-332-9912 •
www.inclusionary.org

Business and Professional People for the Public Interest •
312-641-5570 • www.bpichicago.org

National Housing Conference and Center for Housing Policy •
202-466-2121 • www.nhc.org

PolicyLink • 510-663-2333 • www.policylink.org



Advocacy Story: Transforming Attitudes About Housing in Connecticut

As NLIHC's *Out of Reach* report shows, Connecticut has the 6th highest housing wage among states: \$23.58 for a 2-bedroom apartment. An under-supply of housing inflates costs, and our state is ranked 47th in the number of housing units built per capita since 2000. This is often because of local resistance rooted in zoning laws.

To change this, the Partnership for Strong Communities formed the HOMEConnecticut Campaign made up of businesses, environmentalists, planners, economists, philanthropic organizations, mayors and housing advocates to get consensus and present a unified voice to the state legislature.

After commissioning an economic study, the primary obstacle identified was low-density zoning regulations. We proposed the state help and encourage towns to change zoning laws to allow higher-density development and require mixed-income housing. Rather than a development-by-development approach, we needed zoning to bring balance to our overall housing market.

Our campaign successfully advocated for a bill to encourage municipal zoning authorities to make these changes. The bill established a new program – the HOMEConnecticut Program – to help create local zoning plans and offer municipalities financial incentives when zoning is enacted and again when actual development occurs. The program is voluntary, but through their local planning and with our continued education to sell the benefits and overcome misconceptions, towns are seeing that mixed-income housing is in their own best interests. Now, one-third of Connecticut's municipalities are in the program and more towns are asking to join. We are on our way to having many more affordable units, and a healthier real estate market.

For more information, go to www.pschoosing.org.

Written by Shelby Mertes, Partnership for Strong Communities, shelby@pschoosing.org.

NIMBYISM: OVERCOMING COMMUNITY OPPOSITION TO AFFORDABLE HOUSING

By Jaimie Ross, Affordable Housing Director, 1000 Friends of Florida

The Not in My Backyard syndrome (NIMBYism) connotes objections made to the siting of affordable housing for reasons such as fear and prejudice. This is in contrast to objections over the real threat of an incompatible neighboring use, such as the siting of a hazardous waste facility near a residential area.

NIMBYism presents a particularly pernicious obstacle to producing affordable housing. Local elected officials are regularly barraged by the outcry of constituents with concerns over the siting and permitting of affordable housing. Consequences of NIMBYism include lengthy, hostile, and unpleasant public proceedings; frustrated consolidated plan implementation; increased costs of development; property rights disputes; and an inability to meet local housing needs. There are tools advocates can use to avoid or overcome these objections, usually to the eventual satisfaction of all parties.

ISSUE SUMMARY

Zoning and land use decisions are in general the domain of local government. Examples of such local-level decision making include whether land is zoned for residential use exclusively for single family homes or for multifamily homes, and whether transitional housing facilities or group homes are considered commercial or residential uses.

Analysis of local zoning and land use decisions demonstrate an historical trend toward racially and economically segregated communities. Decisions of this nature, fueled by NIMBYism and NIMTOOism ('Not In My Term Of Office'), continue to be made in an ever more political environment. NIMBYs are typically local residents determined to maintain homogeneous neighborhoods and increase property values who vehemently oppose the development of affordable housing. NIMTOOs are local elected officials who may or may not agree with the NIMBYs, but will not vote in favor of an affordable housing development if it will jeopardize their reelection prospects.

TOOLS FOR LOCAL SUCCESS

Know the law. When discrimination against an affordable housing development is in fact discrimination on the basis of race, color, national origin, religion or disability status, it violates the federal Fair Housing Act (42 U.S.C. Sec. 3601-Sec. 3631). Litigation is usually not a meaningful remedy because housing funding cycles are short and court cases can take years to resolve. Often, all advocates need in order to benefit from the protections of civil rights statutes is a working knowledge of the law and a willingness to make the law known to local elected officials and government attorneys. In those cases where discrimination is clear and local elected officials act in disregard of that discrimination, advocates may request that the U.S. Department of Justice take the case. When the plaintiff is the United States of America, the case is likely to be resolved in the favor of the plaintiff and it tends to make future dealings with local opposition much easier.

Nonprofit developers may be reluctant to challenge a local government over land use issues because the local government provides funds to that nonprofit. A local legal services office or other advocate for the public interest can argue on behalf of the future tenants or residents who would be directly impacted by the land use decision. Developing relationships with such organizations before problems arise can be an effective way to fight NIMBYism.

Educate elected officials. Once a NIMBY battle ensues, it is often too late to educate. Advocates should anticipate the value of and the need to build relationships with elected officials and their staff members before a NIMBY issue arises. Education should include the importance of affordable housing in general, and its importance to the health of the entire community in particular. Advocates should include allies in the education process. Learning about elected officials' interests will help to inform the advocate about which of its allies are best to bring to the meeting. For example, a particular elected official may be impressed by hearing from a local business about the need for employee housing, while another may be moved by hearing from local clergy about the needs of homeless veterans or elderly and disabled persons. Whenever possible, advocates should invite elected officials to visit completed developments and should share credit with them at ribbon cuttings and when speaking with the media.

In regard to a pending development, whether advocates can meet with elected officials depends upon the ex parte rules in each jurisdiction. If advocates discover that community opposition is meeting with elected officials about a development, advocates should try to do the same.

Garner allies from a broad range of interests. Too often, the only proponents of the affordable housing development are the developers themselves. Whenever possible, advocates should ask members of the business community, clergy,

NIMBYism: Overcoming Community Opposition to Affordable Housing

and social service agencies to stand up for an affordable development. Potential beneficiaries of the development, like future residents, can also be effective advocates.

The media can also be an important ally throughout the process of development approval. Whenever advocates foresee a potential NIMBY problem, it is best for them to contact the media first so that they understand the development plans, the public purpose, and the population to be served.

Address all legitimate neighborhood and community opposition. Key to overcoming community opposition is addressing the opposition's legitimate concerns. Legitimate, non-discriminatory concern around issues like traffic or project design may lead advocates to make some adjustments to a proposed development.

Concern over property values are often the root of neighborhood opposition. For that reason, included at the end of this article is a bibliography of studies that address the assertion that affordable housing decreases the property value of neighboring properties.

The key point is this: once all legitimate concerns are addressed, if opposition persists, it can be stated with certainty that the opposition is illegitimate and is therefore opposition that would be inappropriate, arbitrary, capricious, or unlawful for the local government to consider in making its land use decision.

Expand legal protections for affordable housing. Advocates should work for state or local laws that make it harder for NIMBYism to prevail. For example, in 2000, the Florida Fair Housing Act, the state's substantial equivalent to the federal Fair Housing Act, was amended to include affordable housing as a protected class (Section 760.26, Florida Statutes). In 2009, North Carolina adopted a similar statute to add affordable housing as a protected class in its fair housing law.

Decision makers and their staffs must be aware of the law if it is to be helpful to the cause. The expansion of the state fair housing act to include affordable housing in Florida has been successful because housing advocates have been conscientious about ensuring that local government lawyers know about the statutory change. It is now commonplace in Florida for a city or county attorney to inform the elected body during a heated public hearing that they would run afoul of the state's fair housing law if they deny the affordable housing developer's application.

WHAT ADVOCATES NEED TO KNOW NOW

The nationwide downturn in the real estate market provides fodder for opponents of affordable housing. Opposition from neighborhoods or elected officials can now be cloaked in terms of concern over low-cost housing market saturation. While the foreclosure crisis and tight credit markets may cause some market saturation of lower-cost homeownership housing, it is unlikely that any areas in the country have an oversupply of

rental housing for extremely low income, disabled, and frail elderly populations.

A growing opportunity for overcoming community opposition to affordable housing is the adoption of inclusionary land use regulations. The advent of the Sustainable Communities Initiatives and an increasing interest in transit-oriented development presents the challenge of ensuring that sustainable communities are not only for the wealthy and that the increased property values around transit do not price out affordable housing. An inclusionary housing ordinance can be used to ensure that affordable housing is part of sustainable or transit oriented development because it directs that affordable housing be built in a certain location.

Inclusionary housing policy affirmatively furthers fair housing. It assists in overcoming neighborhood opposition because inclusionary housing law requires that a certain percentage of the housing within a particular geography is affordable. In other words, the not in my backyard argument fails because the law requires affordable housing in that backyard. For those jurisdictions without housing element comprehensive planning requirements, an inclusionary housing ordinance provides local elected officials and affordable housing advocates a clear public interest directive to weigh against neighborhood opposition. In that balance, the proponents of preservation or development of affordable housing should be able to overcome the opposition.

FOR MORE INFORMATION

The following is a bibliography of property value studies based on statistical and empirical analysis and covering hundreds of case studies from throughout the nation. Virtually without exception, affordable housing developments have been found to have no negative effect on neighboring market rate property values, and in some instances have increased the value of neighboring property. Local government elected officials and their staffs can use these studies as evidence to counteract homeowner fears about loss of property value.

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PUBLIC HOUSING AGENCY PLAN

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

The Public Housing Agency Plan (PHA Plan) is the collection of a public housing agency's key policies (such as admissions policies) and program intentions (such as demolition). There is a 5-Year Plan with Annual Plan updates. The PHA Plan was meant to ensure local accountability through resident and community participation. Prior to the Obama administration, however, various administrative and legislative efforts weakened PHA Plans.

ADMINISTRATION

PHA Plans are administered by some local public housing agencies, with oversight by HUD's Office of Public and Indian Housing.

HISTORY AND PURPOSE

The Quality Housing and Work Responsibility Act of 1998 (QHWRA, pronounced 'kwa-ra') established the PHA Plan because of the significant devolution of authority provided to public housing agencies (PHAs) in that bill. The PHA Plan was meant to ensure local accountability through resident and community participation opportunities. Resident Advisory Boards (RABs) were also created in QHWRA to ensure public housing residents and voucher-assisted households can fully participate in the PHA Plan process.

In June 2004, HUD issued regulations to streamline the Annual Plan requirements for PHAs with fewer than 250 public housing units and any number of voucher units. These PHAs were only required to submit certifications regarding capital improvement needs and civil rights compliance. This regulatory streamlining was broadened in 2008, when Congress enacted several reforms that greatly diminish the Annual Plan requirements for PHAs administering fewer than 550 combined units of public housing and vouchers ('small' PHAs). Also in 2008, HUD took administrative action to dilute the information provided to residents and the general public through the PHA Plan 'template.'

PROGRAM SUMMARY

All PHAs must develop 5-Year PHA Plans that describe the overall mission and goals of the PHA regarding the housing needs of low income families in its jurisdiction. Larger PHAs must also develop an Annual Plan, which is a gathering together of a PHA's key policies (such as those relating to admissions, income targeting, rents, pets, etc.) and program intentions (such as demolition or disposition). However, these larger PHAs only have to submit a short PHA Plan template to HUD each year.

See page 203 for all of the components of the Annual PHA Plan.

Resident Advisory Boards (RABs). As part of this planning process, PHAs are required to have at least one Resident Advisory Board to assist in the development of these PHA Plans and any 'significant amendments' to the plan. RAB

membership must adequately reflect and represent residents served by the PHA, including voucher holders if they make up at least 20% of all those assisted.

In order to ensure that RABs can be as effective as possible, the PHA must allocate reasonable resources to provide reasonable means for the RAB to become informed about programs covered by the PHA Plan, communicate with residents in writing and by telephone, hold meetings with residents, and get information through the internet.

The PHA must 'consider' RAB recommendations when preparing a final PHA Plan or any significant amendment to it. A copy of the RAB's recommendations and a description of whether those recommendations were addressed must be included with the final PHA Plan.

Resident and community participation. The law and regulations provide for a modest public participation process.

- The PHA must conduct reasonable outreach to encourage broad public participation.
- The PHA's board of commissioners must invite public comment regarding a proposed PHA Plan and conduct a public hearing to discuss it. The hearing must be held at a location convenient to PHA residents.
- At least 45 days before the public hearing, the PHA must:
 - Make the proposed PHA Plan, required attachments, and other relevant information available for public inspection at the PHA's main office during normal business hours.
 - Publish a notice indicating the date, time, and location of the public hearing, as well as the availability of the proposed PHA Plan.
- The final, HUD-approved PHA Plan, along with required attachments and other related documents, must be available for review at the PHA's main office during normal business hours.
- Small PHAs submitting so-called streamlined Annual PHA Plans must certify that any revised policies and programs are available for review at the PHA's main office during normal business hours.

There are four places in the regulations indicating that writing and calling HUD to complain about the PHA Plan might secure attention and relief from HUD.

- 1) If a RAB claims in writing that the PHA failed to provide adequate notice and opportunity for comment, HUD may make a 'finding' and hold up approval of a PHA Plan until

this failure is remedied.

2) Before approving a PHA Plan, HUD will review “any... element of the PHA’s Annual Plan that is challenged” by residents or the public.

3) HUD can decide not to approve a PHA Plan if the plan or one of its components:

- Does not provide all of the required information.
- Is not consistent with information and data available to HUD.
- Is not consistent with the jurisdiction’s Consolidated Plan.

4) To ensure that a PHA complies with all of the policies adopted in its HUD-approved PHA Plan, “HUD shall, as it deems appropriate, respond to any complaint concerning PHA noncompliance with the plan.... HUD will take whatever action it deems necessary and appropriate.”

Significant amendments can only take place after formal adoption by the PHA board of commissioners at a meeting open to the public, and after subsequent approval by HUD. Significant amendments are subject to all of the RAB and public participation requirements discussed above.

The PHA Plan must identify the basic criteria that the PHA has for determining what makes an amendment significant. Advocates and residents should be alert to changes to the PHA Plan at any time of the year because any policy or program in it can be modified. Advocates and residents should review the PHA Plan’s criteria defining significant amendments, and work to change them if they are written so that few modifications would be judged significant and therefore escape the RAB and public participation requirements.

WHAT ADVOCATES NEED TO KNOW NOW

Congress weakened the usefulness of the PHA Plan with changes made in the Housing and Economic Recovery Act of 2008 (HERA). This law includes a provision greatly diminishing PHA Annual Plan requirements for PHAs that administer fewer than 550 combined units of public housing and vouchers. As of February 2012, HUD reports that there are 2,818 so-called ‘Qualified PHAs.’ According to 2008 data (the latest available), 75% of the nation’s PHAs, which administer 21% of public housing units and 11% of all vouchers, are exempt from developing an Annual Plan. Qualified PHAs only need to certify that they are complying with civil rights law, and that their 5-Year PHA Plan is consistent with the local or state government’s Consolidated Plan. Qualified PHAs must still hold a public hearing annually regarding any proposed changes to the PHA’s goals, objectives, or policies. They must also have RABs and respond to RAB recommendations at the public hearing.

HUD also took action in 2008 that weakened the usefulness of the PHA Plan for larger PHAs. Previously, HUD required public housing agencies to use a computer-based PHA Plan template. This was a very helpful outline of all of the PHA Plan components required by the law (see chart). But HUD drastically diminished the template in 2008, reducing it from a

helpful 41-page, easy-to-access electronic guide, to a mere page and a half form, making it much more difficult for residents and the public to know what the law requires and what has changed at the PHA over the previous year.

The 2008 PHA Plan template makes it more difficult for residents and others to understand the PHA Plan process, engage in it, and have access to information associated with the 19 statutorily required PHA Plan components. The template merely asks PHAs to indicate which of the components was revised, not how the components were revised. Residents and other advocates receive significantly less information about revisions included in the Annual Plan. Finally, there is no longer a list of plan components prompting residents and others to proactively recommend their own revisions to the Annual Plan.

NLIHC is concerned that resident involvement in the PHA Plan will diminish due to the loss of guidance in the PHA Plan template. The template includes far fewer reminders about the role of the RAB in developing the PHA Plan. The template no longer includes the description of the process for electing residents to the PHA board or the list of RAB members or residents on the PHA Board.

PHA Annual Plans should be enhanced to provide additional data on:

- The number of Annual Contributions Contract (ACC) units the PHA has, by development; the occupancy level at each development; and a plan to reduce any development’s vacancy rate that is above 3%.
- The number of ACC units planned for redevelopment that will no longer be available or affordable to extremely low income households.
- The number of authorized housing vouchers the agency has and the number of these vouchers under lease.
- The PHA’s Section 8 Management Assessment Program (SEMAP) ratings, any audits of the agency performed by the HUD Secretary, and any corrective action the agency took regarding SEMAP or audit findings.

In addition, NLIHC believes that more PHAs must be required to comply with the PHA Plan so that residents and community members can have an opportunity to learn about and participate in the decisions affecting the nation’s investments in public housing and vouchers.

On February 7, 2011, HUD published a proposed rule that would put the changes made for Qualified PHAs into the regulations. As part of that proposed rule, HUD would also eliminate a key sentence in the existing regulations which explains that the purpose of the PHA Plan is “to provide a framework for local accountability and an easily identifiable source by which public housing residents, participants in the tenant-based assistance program, and other members of the public may locate basic PHA policies, rules and requirements concerning the PHA’s operations, programs and services.” To

date, that rule has not been finalized.

On April 13, 2011, HUD published for comment yet another set of revisions to the PHA Plan template. NLIHC and others submitted comments. Then, on February 3, 2012, HUD published still more changes for comment, some of which reflected public suggestions from 2011. Instead of one single template, HUD proposed five: a 5-Year PHA Plan for all PHAs, and separate Annual update templates for Standard and Troubled PHAs, Small and High Performing PHAs, Qualified PHAs, and PHAs that only administer housing choice vouchers. If these templates eventually become official, they will be slight improvements from the 2008 version, but still far less helpful for residents and advocates.

TIPS FOR LOCAL SUCCESS

Participate in the development of your local agency's PHA Plan. Work with your local PHA to find out the PHA Plan schedule (dates PHA Plans are due to HUD are based on PHAs' fiscal year start dates). Ask the PHA to provide notice well in advance of the required public hearing, and ask specifically about proposed changes from the previous year. Advocates should review all PHA Plan components thought important, and should prepare written comments as well as comment at the public hearing. Advocates should work with others, especially residents of public housing, voucher holders, and other low income people, to increase participation in the PHA Plan process. All year long advocates should be on the lookout for significant amendments, and submit written comments as well as verbal comments at the public hearing required for significant amendments.

WHAT TO SAY TO LEGISLATORS

Advocates should let their Members of Congress know that:

- The PHA Annual and 5-Year Plans are important, local tools that should be expanded to more PHAs, protected from further dilution, and enhanced to require more components of concern to residents and other community members.
- HUD's diminished template for Annual PHA Plan submission should be returned to its original state.
- Any new form of rental assistance should include mechanisms approximating robust PHA Plans to ensure resident and other community participation in the operation and future of the federal housing investment.

FOR MORE INFORMATION

National Low Income Housing Coalition • 202-662-1530 • www.nlihc.org

National Housing Law Project • 510-251-9400 • www.nhlp.org

Locate your PHA Plan through HUD at: www.hud.gov/offices/pih/pha/approved/

HUD's list of Qualified PHAs is available at <http://1.usa.gov/zI2oCH>

WHAT'S IN THE ANNUAL PHA PLAN?

- a) Housing Needs** of extremely low, very low, and low income families, elderly families, disabled families, and those on public housing and Section 8 waiting lists.
- b) Tenant Eligibility, Selection, and Admissions Policies** as well as waiting list procedures, admissions preferences, unit assignment policies, and race and income decentralization.
- c) Financial Resources** and planned uses of these resources for the upcoming year listed in categories such as operating funds, capital funds, other federal funds and non-federal funds.
- d) Rent Determination** including rent policies for tenants and landlords receiving vouchers.
- e) Operations and Management** of facilities, including PHA programs, their organization, and policies governing maintenance (including those policies regarding pest infestation).
- f) Grievance Procedures** for residents and applicants.
- g) Capital Improvement Needs** and planned actions for the long-term physical and social health of public housing developments. Should include plans and costs for the upcoming year and a 5-year plan.
- h) Demolition and Disposition Plans** that the PHA has applied for, or will apply for, including timetables. For more information about demolition/disposition, see pages 19 and 20 of NLIHC's *The Preservation Guide: Federal Housing and Homeless Plans*, available at <http://nlihc.org/library/other/preservation>.
- i) Designation of Public Housing for Elderly or Disabled** identified.
- j) Conversion of Public Housing** to tenant-based vouchers as specified in Section 33 or Section 22. For more information on conversions, see pages 20 and 21 of NLIHC's *The Preservation Guide: Federal Housing and Homeless Plans*, <http://nlihc.org/library/other/preservation>.
- k) Homeownership Programs** described [such as Section 8(y) or Section 5(h)].
- l) Community and Self-Sufficiency Programs** that aim to improve families' economic or social self-sufficiency (including Section 3 jobs efforts) and that will fulfill community service requirements.
- m) Safety and Crime Prevention** including coordination with police.
- n) Pets policy.**
- o) Civil Rights** as reflected in a formal pledge that the PHA will comply the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act, and the Americans with Disabilities Act.
- p) Financial Audit** from the most recent fiscal year.
- q) Asset Management** for long-term operating, capital investment, rehabilitation, modernization, or sale of the PHA's inventory.
- r) Domestic Violence** activities, services, or programs that prevent or serve victims of domestic violence, dating violence, sexual assault, or stalking as added by the Violence Against Women Act of 2005 (VAWA).
- s) Additional Information** including progress in meeting or deviating from the PHA's mission and goals as listed in the 5-Year Plan.

QUALIFIED ALLOCATION PLAN

By Ed Gramlich, Director of Regulatory Affairs, National Low Income Housing Coalition

The federal Low Income Housing Tax Credit program requires each state agency that allocates tax credits (generally called a housing finance agency) to have a Qualified Allocation Plan (QAP). The QAP sets out the state's eligibility priorities and criteria for awarding federal tax credits, as well as tax-exempt bonds and any state-level tax credits, to housing projects.

The QAP is a tool advocates can use to influence how their state's share of annual housing tax credits is allocated to affordable housing projects. Advocates can use the public hearing and comment requirements to convince their housing finance agency to better target tax credits to projects that house people with extremely low incomes, locate projects in priority areas, and preserve the existing stock of affordable housing.

PLAN SUMMARY

The QAP is a document that state and a few local agencies must have in order to distribute federal Low Income Housing Tax Credits (LIHTCs), which can be awarded only to a building that fits the QAP's priorities and criteria. Each QAP must spell out a housing finance agency's (HFA's) priorities and specify the criteria it will use to select projects competing for tax credits. The priorities must be appropriate to local conditions.

The QAP must also give preference to projects:

- Serving residents with the lowest income.
- Serving income-eligible residents for the longest period of time.
- Located in qualified census tracts (QCTs), which are tracts with a poverty rate of 25% or in which 50% of the households have incomes below 60% of the area median income (AMI).

The selection criteria must address 10 items: (1) location, (2) housing needs, (3) public housing waiting lists, (4) individuals with children, (5) special needs populations, (6) whether a project includes the use of existing housing as part of a community revitalization plan, (7) project sponsor characteristics, (8) projects intended for eventual tenant ownership, (9) energy efficiency and (10) historic nature. These requirements are minimums; states can adopt more rigorous criteria that target advocates' priority populations and locations.

HFAs can target tax credits several ways:

- The QAP selection process can give preferences, in the form of extra points, to encourage developers to submit projects more likely to serve particular populations or locations; for example, by awarding 10 bonus points to projects that set aside 20% of the units for special needs populations.
- The QAP can establish a set-aside, reserving a specific percentage or dollar amount of any given year's tax credit allocation for projects more likely to serve particular populations or locations; for example, a \$2 million set-aside for rural projects.
- The QAP can establish thresholds, minimum requirements

that projects must meet simply to get in the game, thus improving targeting to particular populations or locations; for example, requiring a 50-year income-eligible compliance period.

TIPS FOR LOCAL SUCCESS

Because each state gets a new allocation of LIHTCs each year, QAPs are usually drafted annually. This gives advocates regularly scheduled opportunities to influence QAP priorities. LIHTCs are often in high demand among developers; therefore, developers propose projects that address the priorities set forth in the QAP to give themselves an advantage in the selection process.

Advocates should assess the QAP. If it only has a general statement of goals, advocates can work to get very specific set-asides or preference points for their priorities. If the QAP has too many priorities, this will render individual priorities less meaningful. Advocates should work to narrow the number of priorities or work to establish relative priorities so their priorities can compete more effectively.

If there are types of assisted housing that should be at the top of the priority list, advocates should work to ensure that they are positioned to better compete. For example, if there is a great need for units with more than two bedrooms, advocates might promote a QAP policy offering bonus points for projects providing units with two or more bedrooms for at least 10% of all low income units. To facilitate rural projects, advocates might try to secure QAP policies that give bonus points to projects with fewer than 50 units.

Advocates can also argue for features that protect tenants. For instance, bonus points for projects that do not permanently displace residents, or a QAP policy precluding tax credit assistance for projects that do not provide one-for-one replacement of units lost through redevelopment. Advocates should review the QAP to find out how long targeted units must serve people with lower incomes. If the QAP only requires the basic 15 years, plus extended use period of another 15 years,

advocates should try to get the compliance period lengthened as a threshold issue, or try to get bonus point preferences or set-asides for projects that voluntarily agree to a longer compliance period.

There must be a public hearing about a proposed QAP before it is approved by the unit of government overseeing the HFA, but there are no specific requirements for the public hearing. Although not required, most states also provide for a public review and comment period for a proposed QAP.

Advocates should contact the HFA early to learn about its annual QAP process and build this into their work plan for the year. In addition, advocates should be sure to get on any notification list the HFA might have about the QAP and public hearing. Advocates should also develop relationships with the HFA's governing board and communicate the advocate's priorities throughout the year. Not all communication must take place in the context of the formal QAP process. Informal contacts can be used effectively to advance an advocate's priorities.

Once an HFA has decided to award tax credits to a building, it must notify the chief executive officer of the local jurisdiction where the building is located (such as the mayor or county executive). That official must have a reasonable opportunity to comment on the project. Advocates should ask the executive's office and any relevant housing department at the locality to notify them as soon as the HFA contacts the executive about a proposed project. Even better, advocates should seek a local policy requiring public notice and comment, along with public hearings, about a proposed project.

Before tax credits are allocated, there must be a comprehensive market study of the housing needs of low income people in the area a project is to serve. The project developer must hire a disinterested third party approved by the HFA to conduct the market study.

If a building that does not fit the QAP's priorities is to get tax credits, the HFA must provide a written explanation and make it available to the public.

FOR MORE INFORMATION

HUD's HOME Program web site has links to a firm which lists the HFAs in all states at www.novoco.com/low_income_housing/lihtc/state_agencies.php.

State QAPs at www.novoco.com/low_income_housing/lihtc/qap_2012.php.

STATE AND LOCAL HOUSING TRUST FUNDS

By Mary E. Brooks, Housing Trust Fund Project Director, Center for Community Change

Housing trust funds are created when ongoing, dedicated sources of public funds are committed by ordinance or legislation to support the production and preservation of homes for lower income households. This single key characteristic of housing trust funds advances the way this country funds affordable housing by guaranteeing that revenues are available each year to support critical affordable housing needs.

HISTORY AND PURPOSE

Since the 1980s, housing trust funds have employed the model of committing public funds to address our most critical affordable housing needs. With nearly 700 housing trust funds in cities, counties and states, these funds have become important elements in an overall housing policy and well-known for their flexibility, sustainability and success in addressing critical housing needs.

PROGRAM SUMMARY

Because housing trust funds are distinct funds created through the dedication of public revenues, they are essentially public funds and this shapes how they operate. There are three key elements to any housing trust fund:

Administration. Most housing trust funds are administered by a public or quasi-public agency. Housing advocates are not always comfortable with the performance of local agencies and may not find this an easy condition to accept. While there are alternatives, such as a community foundation administering the fund, there are very few examples of such models. In the long run, it is desirable for elected officials to accept ownership and responsibility for addressing critical housing needs and designate the housing trust fund as one way in which they intend to do this.

One administrative characteristic of housing trust funds that usually improves upon this arrangement is the creation of an appointed oversight board. Most housing trust funds have such boards. They are typically broadly representative of the housing community, including banks, Realtors, developers, nonprofit development organizations, housing advocates, labor, service providers and low income residents. These boards can be merely advisory, but it is preferable to delegate some decision-making authority to them, including determining which projects receive funding from the trust fund, oversight of policies, and evaluating and reporting on performance of the fund.

Programs. The basic programmatic issues for housing trust funds should be defined in the ordinance or legislation that establishes the fund. This ensures that the key operating components of the trust fund are not subject to the whims of changing administrations. Staff and board members will need

to develop an application cycle, program requirements, and administrative rules.

Housing trust funds are created locally to address the most critical housing needs that exist. In order to ensure that the trust fund succeeds, several decisions must be made about what gets funded through the trust fund. This includes determining eligible applicants, eligible activities, and requirements that must be met to receive funding. Most housing trust funds provide loans and grants through a competitive application process, although some establish distinct programs. Grants are important to ensure that housing can be provided to meet the needs of those with the lowest incomes. Eligible applicants typically include nonprofit developers, for-profit developers, government entities, Native American tribes and public housing agencies. Eligible activities are usually quite broadly defined, including new construction, rehabilitation, acquisition, emergency repairs, accessibility, first time homeownership, operating and maintenance costs and many others. Rental assistance is provided by some housing trust funds. There are a few housing trust funds that serve only the needs of the homeless population and define their activities accordingly.

Among the most important decisions to be made regarding programs are the requirements that projects must meet to be eligible for funding. Chief among these is the income level of those who benefit from the housing provided. Most housing trust funds serve populations earning no more than 80% of the area median income, but many serve lower income households either entirely or in part by setting aside a portion of the funds to serve these populations in particular. Without setting aside funds to serve very low and extremely low income households, these most critical needs continue to be ignored. It is important to give serious consideration to these set-asides and other programmatic issues that enable funding for those with the most critical needs. Another key concern is the long-term affordability requirements that must be met. Many housing trust funds require that the units supported through the trust fund remain affordable to the targeted population for a defined amount of time or in perpetuity.

Housing advocates may identify other requirements to incorporate, including accessibility, mixed-income, green

housing principles, rural housing and housing-related services requirements.

Revenue sources. Identifying public revenue sources that can be committed to a local housing trust fund is what makes creating housing trust funds difficult. Different revenue sources are available to different jurisdictions, because each controls specific taxes and fees. Research must be done to identify appropriate funding sources.

The most common revenue source for a city housing trust fund is a linkage program. These are impact fees placed on non-residential developers to offset the impact of the development's employees on the housing supply and are part of the zoning ordinance. Along with linkage fees, many jurisdictions also use inclusionary zoning in-lieu fees. Other cities have committed various fees, such as condominium conversion fees or demolition fees, along with taxes, including property taxes, real estate excise taxes, and hotel and motel taxes.

The best and most common revenue source for a county housing trust fund is a document recording fee. This is one of the few revenue sources that most counties can commit. Other sources used by counties include sales taxes, developer fees, real estate transfer taxes and real estate excise taxes.

State housing trust funds are most commonly funded by real estate transfer taxes, but states have committed nearly two dozen revenue sources to housing trust funds. Other options include interest from state-held funds (such as unclaimed property funds and budget stabilization funds), interest from real estate escrow or mortgage escrow accounts, and document recording fees.

Often housing advocates study alternative revenue sources themselves and propose the best options. These are not difficult studies, but it takes time and some diligence to obtain the necessary information. Some housing trust funds have been created through specially designated task forces that have responsibility for doing the background research and making recommendations on how best to create the proposed housing trust fund. Regardless, it is important for advocates to advance their own proposals for a housing trust fund with a specific revenue source recommendation, instead of leaving this critical element up to elected officials to determine.

Each state is unique in its treatment of taxes and fees. Research must be conducted into what the state constitution and statutes permit with regard to dedicating public revenues to a specific purpose; what, if any, limitations are placed on specific revenues options, including caps on the rate of a tax or fee applied; and the uses to which the revenue may be applied, among other questions. New ideas are constantly being explored, so it pays to be creative in searching for potential public revenue sources.

As the search for revenue sources is undertaken, it is extremely important that a goal identifying the amount of revenue needed each year for the housing trust fund be established. This can be based on actual need, a realistic assessment of what can be secured or an evaluation of the capacity to use new funds. This goal will be the measure by which each potential revenue source will be judged as sufficient. A combination of revenue sources may be necessary.

It is critical to keep the focus on dedicated sources of public funding that will provide an ongoing stream of revenue for the housing trust fund. Other alternatives will be proposed, such as a one-time appropriation, bond revenues or private sources, but the campaign must keep its sights on putting into place an ordinance or legislation that will change the future of affordable housing.

The relationship between state and local housing trust funds. One of the most innovative recent advances in the housing trust fund field is state legislation that enables local jurisdictions to create housing trust funds. There are several models in place. States can enact legislation that opens a door for local housing trust funds either by providing matching funds to encourage and support local housing trust fund efforts, enabling cities or counties to utilize a specific revenue source for local housing trust funds by sharing a new public revenue source with local jurisdictions or establishing a process whereby local jurisdictions can decide to commit specific funds to a local housing trust fund.

WHAT ADVOCATES NEED TO KNOW NOW

Today's economic climate is the most challenging yet to the goal of preserving dedicated public revenue for a housing trust fund. Within the last year, state housing trust funds have lost dedicated revenues either through the decline in revenue collected through a tax or fee, or from cuts imposed through efforts to address budget deficits. Some of this decline will recover naturally as the economy regains strength and revenue collections rebound. Nonetheless, many if not most housing trust funds are facing severe challenges to their sustainability. As devastating as this may seem, the model of dedicated revenue established through legislation or ordinance appears to create a foundation from which effective campaigning for sustainability can be launched.

The housing trust fund concept continues to have resiliency. During this economic recession, several housing trust funds have added new revenues and new housing trust funds continue to be created. With nearly 700 such funds created and implemented over the past thirty years, housing trust funds are well established as a vital part of the affordable housing field. Cities, counties, and states have developed models that work, supported innovative approaches to all aspects of addressing affordable housing and homeless needs and demonstrated that decent, affordable homes can be provided for everyone if communities are willing to commit the resources to do so. This commitment expands local economies, demonstrates

new partnerships and builds local capacity to engage in public policy initiatives. Creating a housing trust fund is a proactive step that housing advocates can take to make systemic change in the housing field.

While it is relatively easy for the public at large, and elected officials in particular, to nod toward the need to provide more affordable homes, committing precious resources to make it happen requires an active campaign. The challenge advocates face is in making affordable housing enough of a priority that elected officials can make the right decision. Housing trust fund campaigns have made important contributions in reframing affordable housing as a policy priority that is integral to the success of our communities. Not only is there an obvious connection between jobs and housing, but building housing also fuels the economy in a number of direct and indirect ways. Housing has a direct relationship to education, health, the environment and neighborhood quality. Personal stories and connections to real families have given the issue a face that is far more powerful than statistics reflect. Campaigns have begun to build communication strategies based on the value frame that everyone should have a place to call home.

Housing trust fund campaigns have found numerous ways to boast about what housing programs can accomplish. There is no reason to be bashful about this. There are thousands of remarkable and outstanding examples of good, well-managed, integrated affordable housing. Housing advocates have an obligation to educate the public and elected officials about the new face of affordable housing. Rarely have housing trust funds been created without the pressure applied by such a campaign. Housing advocates have succeeded in making the point that providing decent, safe affordable homes is no longer an arbitrary decision to which we can simply choose to devote resources or not. Rather, it is an ongoing, essential part of every community, no less important than streets, sewers, health centers, police or fire protection, schools, and other basic components of a viable community.

One of the most exciting aspects of housing trust funds is the demonstration that housing advocates can engage in progressive campaigns to make a change in the way this country supports affordable housing. Campaigns have been waged by local faith-based organizations, city-wide coalitions of nonprofit developers, state-wide housing advocacy groups and many others. Coalitions have been built engaging the full spectrum of the housing industry. Their stories are as unique as they are uplifting and full of promise.

TIPS FOR LOCAL SUCCESS

Virtually all housing trust funds require a campaign. It is likely to be a multi-year effort and should not be considered unless advocates are willing to invest the time and effort necessary. There is a wealth of information and experience that provides good direction, sound advice and proof that it can be done.

The housing trust fund model can be adapted in many ways to make it possible to dedicate public funding to addressing critical housing needs. They have been created in many states, in small cities, rural counties, and large metropolitan areas. Today, there are easily 30 housing trust fund campaigns underway in cities, counties, and states across the country. Some are focused on creating new housing trust funds; many are working to increase resources for existing housing trust funds.

Here are some steps advocates can take in creating a housing trust fund campaign:

Invite some friends over. The average housing trust fund campaign takes three years, so advocates must assemble the group who are most committed to making a trust fund happen. This core group will keep the campaign focused and see it through to a successful conclusion.

Develop a proposal for a housing trust fund. Advocates should spend time thinking through a mission, how much in dedicated revenue is most desirable each year, who should administer the fund, what kind of oversight there should be, who would be eligible for funding, what kinds of affordable housing/homeless activities should be funded, and what kinds of requirements must be met in order to be eligible for funding (e.g., income targeting, long term affordability, accessibility, green housing etc.). They should pinpoint the specific public revenue source(s) to commit to the fund. Advocates will need to do some research and gather background information to complete this step well.

Expand the circle of friends. Advocates must be very creative in reaching out to those who might want to be part of this campaign, and should invite those who will endorse or add to the proposal the campaign has developed. Advocates should not, however, invite the opposition for the sake of trying to bring them on board. Housing trust fund campaigns have broken down walls with regard to stereotypes of affordable housing. Advocates can bring a face to their campaign by connecting housing to education, health, job creation and showing that investing in a housing trust fund is good fiscal policy.

Find the best elected champion to work with. The campaign will need to get some kind of ordinance or legislation passed to create the housing trust fund. Advocates should talk to their best elected friends and get advice on how to proceed. It is important to find a truly effective legislative champion, and then get new folks involved in pushing for affordable housing.

Prepare for opposition. While any aspect of a housing trust fund plan may face opposition, most often opposition is expressed against the dedicated revenue source selected and usually comes from an industry associated with the revenue source. Much of the opposition can be countered with facts that accurately reflect what the proposal will cost, what will be funded, and who will benefit. This kind of background information is important and needs to be explained in a precise

and straightforward manner. In some cases, it is possible to negotiate with the opposition, but advocates should be sure those involved can make decisions and are absolutely certain of the elements in the proposal that are not to be compromised.

Stay in front. Many housing trust fund campaigns have recognized that in this economic climate, it is particularly tough to ask for public money. As the economic and political climate increases the challenges of securing dedicated public revenues, advocates often find the alternatives frustrating, but this does not mean options are not available. Several parameters are useful to keep in mind: revenue options should be progressive and work to decrease economic disparities; looking at options where the growth in revenues might be captured (even in the future) could be a constructive strategy; and building alliances with others around potential revenue strategies can be a good long-range strategy. And targeting the trust fund (even if only for the short term) to address critical current needs and opportunities may help capture attention, such as: working with programs to use vacant land and buildings, addressing foreclosures, veterans coming home and those who are homeless, transit-oriented development, among many other avenues. Some campaigns, working to create a housing trust fund or to increase revenues to an existing housing trust funds, are taking this period to build their campaign: adding new organizations, enhancing educational efforts, documenting the impact of affordable housing, and building a messaging component, among many other strategies for strengthening a campaign.

FOR MORE INFORMATION

Housing Trust Fund Project of the Center for Community Change • 661-245-0318 • www.housingtrustfundproject.org

TEN-YEAR PLANS TO END HOMELESSNESS

By Norm Suchar, Director of Capacity Building, National Alliance to End Homelessness

The homeless population was once assumed to be largely suffering from mental illness, urban, and unable to live independently. The solution was to manage homelessness through the creation of emergency shelters, transitional housing and other homeless services. These assumptions have disappeared. Over the last few decades, numerous studies have dispelled the myths that have surrounded homelessness. Now, communities of all sizes across the country are completing plans to end homelessness, declaring that it is no longer suitable for any community to yield to what we have come to learn is a surmountable problem. Since 2003, hundreds of communities have completed and began implementing ten-year plans to end homelessness.

HISTORY

In 2000 the National Alliance to End Homelessness (Alliance) released *A Plan, Not a Dream: How to End Homelessness in Ten Years*. Drawing upon years of research and promising approaches from around the country, the blueprint provided the key strategies needed to address the issue of homelessness in ten years. In 2001, HUD, together with the Bush Administration, created an initiative to end chronic homelessness. As part of the initiative, the reactivated U.S. Interagency Council on Homelessness (ICH) was challenged cities to create plans to end chronic homelessness.

In 2010, ICH released *Opening Doors: The Federal Strategic Plan to Prevent and End Homelessness*. *Opening Doors* is the first-ever comprehensive federal commitment to end homelessness. The plan is especially notable because when the federal government challenged communities to create plans to end homelessness in 2003, there was little in the way of federal assistance for these plans. *Opening Doors* aims to support local plan implementation, and promote effective strategies across the country with a concrete timeframe and clear, measurable national goals.

COMPONENTS OF THE PLAN

Local plans to end homelessness have been completed in all regions of the country in all types of communities: rural, urban and suburban. While some of the elements in the plans differ, common plan components include a summary of baseline data, strategies for ending homelessness among people currently experiencing homelessness, prevention efforts to reach people at risk of homelessness, increasing the supply of affordable housing and community outreach plans.

The Alliance published a summary of 234 plans to end homelessness in 2009. It found that most plans start from the same place: understanding the local homeless population. More than 80% of communities with completed ten-year plans collected baseline data on homelessness prior to engaging in planning efforts. This data allows the community to better understand who in their community becomes homeless, how they become homeless, and which programs will work best to solve each community's specific problems.

The strategies outlined in the plans vary widely depending on the unique needs of the community. One common component is the need for permanent housing. Approximately 89% of the plans include permanent housing as a strategy to end homelessness, and 77% identify the need for permanent supportive housing in particular. In total, the plans call for the creation of more than 375,000 units of affordable and permanent supportive housing for homeless people. Efforts to shorten the length of time people spend homeless through Housing First or rapid re-housing initiatives are included in 94% of the plans.

While the initial challenge was to create plans to end chronic or long-term homelessness, 74% of communities extended their plans to include all homelessness. Many plans outline additional strategies to address the unique needs of various subpopulations such as veterans, youth, families, victims of domestic violence, and the elderly. Of the completed plans to end homelessness, 70% identify strategies to end chronic homelessness (including those that target it specifically). Furthermore, 50% lay out strategies to end homelessness among youth, 49% provide strategies to end family homelessness, and 32% address the housing needs of former prisoners re-entering the community.

Prevention is an integral part of ending homelessness in every community. By identifying and serving those most at-risk of becoming homeless, communities can cap the endless stream of people entering into homelessness. Emergency prevention strategies, such as eviction prevention through rent, utility, or mortgage assistance, case management, and landlord intervention are included in 83% of the plans. Systems-level prevention, such as discharge planning from correctional facilities, mental health facilities, youth aging out of foster care, and residential treatment programs, are included in 83% of the plans.

Outreach plays an important role in ending homelessness by engaging persons on the street and helping them both get into housing and access needed services. Over 62% of plans focus on increasing outreach efforts to people living on the streets and provide them with basic services such as food, medical care, and housing. Many already have outreach activities, such

as Assertive Community Treatment (ACT) teams and safe havens, in place. The provision of, or links to, mainstream services are included in 78% of the plans. Increasing income through job training services, Supplemental Security Income (SSI) outreach, Transitional Aid to Needy Families (TANF) outreach, or Earned Income Tax Credit (EITC) outreach was included in over three-quarters of the plans.

TIPS FOR LOCAL SUCCESS

To be successful, the planning process should be participatory and involve multiple sectors of the community. Receiving input from the public, private, and nonprofit sectors allows for greater community buy-in and a smoother transition from planning to implementation. The completed plans incorporate a wide range of stakeholders in the process, from formerly homeless persons to the local chamber of commerce. Approximately 40% involved public sector stakeholders, 36% involved the nonprofit community, and 25% of plans had private sector representation.

It has been 12 years since NAEH released *A Plan, Not a Dream*, and nine years since ICH challenged communities to end chronic homelessness. In that time the country has dramatically improved the way we respond to homelessness. As a result, the number of people experiencing homelessness across the country, particularly the number of people experiencing chronic homelessness, has declined. However, there is much more to be done.

Including elements such as ways to measure progress, defining parties responsible for each action step, identifying funding sources, and creating timelines can help communities stay on track. Further, plans should be living documents that can be modified and updated in response to a community's changing need.

FOR MORE INFORMATION

National Alliance to End Homelessness • 202-838-1526 • www.endhomelessness.org

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ABOUT NLIHC



NATIONAL LOW INCOME HOUSING COALITION

727 15th Street NW, 6th Floor, Washington, D.C. 20005
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<input type="radio"/> Individual	\$100
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<input type="radio"/> Organization, <\$250,000 operating budget	\$200
<input type="radio"/> Organization, \$250K - 499,999	\$350
<input type="radio"/> Organization, \$500K - 999,999	\$500
<input type="radio"/> Organization, \$1,000,000 - 2,000,000	\$1000
<input type="radio"/> Organization, >\$2,000,000	\$2000
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EACH MEMBERSHIP MAKES A DIFFERENCE.

BENEFITS OF MEMBERSHIP

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Members receive this highly respected weekly newsletter by email or mail.

Calls To Action

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Members receive the nation's oldest continually published housing and community development magazine.

Discounted Conference Fees

NLIHC hosts an annual policy conference and leadership reception in Washington, D.C. The conference brings together advocates, researchers, academics, individuals with low incomes, and government experts to share expertise and insights on the latest federal housing policy initiatives.

Free or Discounted Publications

NLIHC produces numerous publications each year, including the *Advocates' Guide* and *Out of Reach*.

Telephone resource referrals with linkages to state and regional networks

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www.nlihc.org

DO YOU KNOW FRIENDS OR COLLEAGUES WHO SHOULD BE MEMBERS OF NLIHC?
Let us know and we'll send them free membership materials.

Name: _____	Name: _____
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ORGANIZATIONAL MEMBERS CAN PROVIDE ADDITIONAL RECIPIENTS FOR MEMO .
Please fill out the address if it does not match that of the primary contact.

Name: _____	Name: _____
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ACCESSING NLIHC RESOURCES

In addition to the *Advocates' Guide*, NLIHC offers many other resources for advocates, policymakers, students and others in order to provide information on the most relevant housing and housing-related programs and issues. Here are ways to get the most out of your relationship with NLIHC.

OUTREACH

Your first point of contact at NLIHC is your Outreach Associate. NLIHC's Outreach Associates are members' direct points of contact for answers to federal policy or membership questions. The outreach team also coordinates responses from members when there is a federal housing issue that needs attention. NLIHC's outreach associates are assigned specific states. Find the contact information for your state's Outreach Associate at www.nlihc.org/whatwedo/outreach/team or e-mail outreach@nlihc.org.

POLICY

NLIHC's policy team tracks, analyzes, and advocates for NLIHC's policy priorities. The policy team updates Fact Sheets on NLIHC's policy initiatives and priority legislation on a monthly basis. NLIHC's policy priorities can be found at www.nlihc.org/issues. NLIHC also convenes four policy committees, comprised of NLIHC board members and individual members, that help set NLIHC's policy agenda. Committee information is available on the website under 'About Us.'

RESEARCH

NLIHC's research team publishes resources on housing-related topics throughout the year. Access the latest research and reports in our 'Resource Library' online at www.nlihc.org/library.

Out of Reach. NLIHC's flagship research publication, *Out of Reach*, offers a side-by-side comparison of wages and rents in every county, metropolitan area (MSAs and HMFAs), combined nonmetropolitan area and state in the United States. For each jurisdiction, the report calculates the amount of money a household must earn in order to afford a rental unit at a range of sizes (0,1,2,3, and 4 bedrooms) at the area's Fair Market Rent (FMR), based on the generally accepted affordability standard of paying no more than 30% of income for housing costs. *Out of Reach* is available on NLIHC's website at www.nlihc.org/oor.

Housing Spotlight. This series of occasional research briefs from the National Low Income Housing Coalition uses data from different sources to highlight a variety of housing issues. NLIHC members receive each issue of *Housing Spotlight* by email. Find them online in the Resource Library at www.nlihc.org/library/housingspotlight.

Congressional District Profiles. NLIHC's Congressional District Profiles offer a snapshot of housing needs for each Congressional district in the country. Each profile pulls from a variety of sources and illuminates several dimensions of housing affordability for renter households in each district, the surrounding area, and the state. The profiles can be found at www.nlihc.org/library/CDP.

CONTACT YOUR ELECTED OFFICIALS

To find contact information for your state or federal elected officials, visit www.nlihc.org and enter your zip code in the 'Contact Congress' box on the lower left side of the page. Access NLIHC's entire Legislative Action Center at www.capwiz.com/nlihc/home.

NLIHC STATE COALITION PARTNERS

NLIHC maintains close ties with our state partners, housing and homeless advocacy organizations who serve statewide or regional areas. To find out what's happening in your state, visit www.nlihc.org/involvement/local/events. NLIHC also maintains a repository of state-generated research, at www.nlihc.org/library/sirr.

NLIHC ANNUAL HOUSING POLICY CONFERENCE

NLIHC hosts an Annual Conference every spring in Washington, D.C., that offers federal housing policy related workshops, plenaries, and keynote speakers, as well as a lobby day at which advocates have the opportunity to weigh in with Members of Congress and their staffs. For more information and to register, visit www.nlihc.org/conference.

NLIHC ON SOCIAL MEDIA

Facebook. Like NLIHC on Facebook and get instant updates on the latest housing news and information: www.facebook.com/NationalLowIncomeHousingCoalition

Twitter. Follow @NLIHC on Twitter for daily updates at www.twitter.com/NLIHC.

Blog. NLIHC's blog, *On the Home Front*, features news and analysis from our staff, guest posts from state and national partners, and opinion on the latest developments in housing policy. Join the discussion at www.nlihc.wordpress.com.

JOIN NLIHC

NLIHC membership dues make up 20% of NLIHC's operating revenue. Your dues are essential to the success of NLIHC's advocacy on behalf of low income people in need of safe and affordable housing. Members receive a number of important benefits, including weekly email delivery of *Memo to Members*, periodic Calls to Action alerts to significant policy developments requiring constituent calls, a subscription to *Shelterforce*, discounted conference rates, free or discounted publications including *Out of Reach* and the *Advocates' Guide*, membership in NARFE Premier Credit Union, telephone resource referrals to state and regional networks, and participation in the policy-setting decisions of NLIHC.

To learn more or become a member, visit www.nlihc.org/membership.

NLIHC STATE COALITION PARTNERS

NLIHC's 62 state coalition partners in 40 states and the District of Columbia are an integral part of the work that we do. Our state partners are housing and homeless advocacy organizations serving statewide or regional areas, and are the organizations with whom we work most closely. Please join the partner or partners where you live, as well as NLIHC, to strengthen state and national advocacy for more affordable housing.

Alabama

Alabama Arise

334-832-9060
www.arisecitizens.org

Low Income Housing Coalition of Alabama

(c/o Collaborative Solutions)
205-939-0411
www.collaborative-solutions.net/Programs/lihca.html

Alaska

Alaska Coalition on Housing and Homelessness

907-743-5726
www.akcoalition.com

Arkansas

Housing Arkansas

501-626-9220
www.housingarkansas.net

Arizona

Arizona Housing Alliance

480-788-4180
www.azhousingalliance.org

California

California Coalition for Rural Housing

916-443-4448
www.calruralhousing.org

California Housing Partnership Corporation

415-433-6804
www.chpc.net

Housing California

916-447-0503
www.housingca.org

Non-Profit Housing Association of Northern California

415-989-8160
www.nonprofithousing.org

Southern California Association of Non Profit Housing

213-480-1249
www.scanph.org

Colorado

Colorado Coalition for the Homeless

303-293-2217
www.coloradocoalition.org

Housing Colorado

303-863-0124
www.housingcolorado.org

Connecticut

Connecticut Housing Coalition

860-563-2943
www.ct-housing.org

Delaware

Delaware Housing Coalition

302-678-2286
www.housingforall.org

District of Columbia

Coalition for Nonprofit Housing and Economic Development

202-745-0902
www.cnhed.org

Florida

Florida Coalition for the Homeless

850-412-0021
www.fchonline.org

Florida Housing Coalition, Inc.

850-878-4219
www.flhousing.org

Georgia

Georgia State Trade Association of Nonprofit Developers

404-526-1260
www.gstand.org

Hawaii

Affordable Housing and Homeless Alliance

808-845-4565
www.hawaiihomeless.org

Illinois

Housing Action Illinois
312-939-6074
www.housingactionil.org

Indiana

Indiana Association for Community Economic Development
317-920-2300
www.iaced.org

Kansas

Kansas Statewide Homeless Coalition
785-354-4990
www.kshomeless.com

Kentucky

Homeless and Housing Coalition of Kentucky
502-223-1834
www.hhck.org

Louisiana

Louisiana Housing Alliance
225-381-0041
www.lahousingalliance.org/web

Maine

Maine Affordable Housing Coalition
207-553-7777
www.mainehousingcoalition.org

Massachusetts

Citizens' Housing and Planning Association
617-742-0820
www.chapa.org

Michigan

Community Economic Development Association of Michigan
517-485-3588
www.cedam.info

Michigan Disability Rights Coalition
616-821-2517
www.copower.org/mdrc/MDRC.htm

Minnesota

Minnesota Housing Partnership
651-649-1710
www.mhponline.org

Minnesota Coalition for the Homeless
651-645-7332
www.mnhomelesscoalition.org

Missouri

Missouri Association for Social Welfare
573-634-2901
www.masw.org

Nebraska

Nebraska Housing Developers Association
402-435-0315
www.housingdevelopers.org

New Hampshire

Housing Action New Hampshire
603-828-5916
www.housingactionnh.org

New Jersey

Housing and Community Development Network of New Jersey
609-393-3752
www.hcdnj.org

New Mexico

New Mexico Coalition to End Homelessness
505-217-9570
www.nmceh.org

Supportive Housing Coalition of New Mexico
505-255-3643
www.thehousingcoalition.com

New York

Coalition for the Homeless
212-964-5900
www.coalitionforthehomeless.org

Neighborhood Preservation Coalition of New York State
518-432-6757
www.npcnys.org

New York State Rural Housing Coalition
518-458-8696
www.ruralhousing.org

Supportive Housing Network of New York
646-619-9640 or 518-465-3233
www.shnny.org

New York State Tenants and Neighbors Information Service
212-608-4320
www.tandn.org

North Carolina

North Carolina Coalition to End Homelessness

919-755-4393
www.ncceh.org

North Carolina Housing Coalition

919-881-0707
www.nchousing.org

North Dakota

North Dakota Coalition for Homeless People

701-390-1635
www.ndhomelesscoalition.org

Ohio

Coalition on Homelessness and Housing in Ohio

614-280-1984
www.cohhio.org

Oregon

Housing Alliance (c/o Neighborhood Partnerships)

503-226-3001
www.oregonhousingalliance.org

Pennsylvania

Housing Alliance of Pennsylvania

215-576-7044
www.housingalliancepa.org

Rhode Island

Housing Action Coalition of Rhode Island

401-521-1461
www.housingactionri.org

Housing Network of Rhode Island

401-521-1461
www.housingnetworkri.org

Rhode Island Coalition for the Homeless

401-721-5685
www.rihomeless.com

South Carolina

Affordable Housing Coalition of South Carolina

803-808-2980
www.affordablehousingsc.org

Texas

Texas Association of Community Development Corporations

512-916-0508
www.tacdc.org

Texas Homeless Network

512-482-8270
www.thn.org

Texas Low Income Housing Information Service

512-477-8910
www.texashousing.org

Utah

Utah Housing Coalition

801-364-0077
www.utahhousing.org

Vermont

Vermont Affordable Housing Coalition

802-660-9484
www.vtaffordablehousing.org

Virginia

Virginia Coalition to End Homelessness

703-250-4904
www.vceh.org

Virginia Housing Coalition

804-497-3060
www.vahousingcoalition.org

Washington

Washington Low Income Housing Alliance

206-442-9455
www.wliha.org

Wisconsin

Housing for All (c/o Independence First)

414-291-7520

Wisconsin Partnership for Housing Development, Inc.

608-258-5560
www.wphd.org

Wyoming

Wyoming Coalition for the Homeless

307-634-8499
www.wch.vcn.com

NLIHC DIRECT ASSISTANCE PROGRAM

The National Low Income Housing Coalition receives hundreds of calls, emails, and letters each year from people looking for housing they can afford or solutions to other kinds of housing problems. We explain to the people who request direct services that NLIHC is not an agency that provides housing assistance to individual people.

We then suggest that they call the office of their Member of Congress and ask to speak to the person who provides constituent services. We help them find the phone number of the office closest to their homes. We explain that the constituent service function of Members of Congress and their rights as constituents to such services. In addition to providing this information to people who contact us by mail, email, and telephone, NLIHC has a 'looking for housing' link on its web site which contains similar information. It is available at www.nlihc.org/involvement/housing.

This approach has several advantages:

- First, people who are seeking help receive some tangible information from an empathetic person in lieu of simply being told NLIHC cannot help them.
- Second, people learn how to communicate with the offices of their elected representatives and may be empowered to become more active as advocates.
- Third, the constituent case workers will become more aware of the housing problems of people who live in their Congressional districts and communicate these needs to the Member of Congress.
- Finally, the people in need may actually obtain knowledgeable assistance in their own communities in their search for affordable housing.

7 APPENDICES

LIST OF ABBREVIATED STATUTORY REFERENCES

- Section 3, Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, economic opportunities for low and very low income persons.
- Section 5, United States Housing Act of 1937, 42 U.S.C. 1437c, funding for public housing and Section 8 housing.
- Section 8, United States Housing Act of 1937, 42 U.S.C. 1437f, low income rental housing assistance.
- Section 18, United States Housing Act of 1937, 42 U.S.C. 1437p, demolition and disposition of public housing.
- Section 42, Internal Revenue Code of 1986, 26 U.S.C. 42, low income housing tax credit.
- Section 108, Housing and Community Development Act of 1974, 42 U.S.C. 5308, loan guarantees.
- Section 202, Housing Act of 1959, 12 U.S.C. 1701q, elderly and handicapped housing.
- Section 203, National Housing Act, 12 U.S.C. 1709, single-family mortgage insurance.
- Section 203k, National Housing Act, 12 U.S.C. 1709(k), single-family mortgage insurance for rehabilitation.
- Section 207, National Housing Act, 12 U.S.C. 1713, multifamily mortgage insurance.
- Section 221, National Housing Act, 12 U.S.C. 1715, multifamily mortgage insurance.
- Section 221(d)(3), National Housing Act, 12 U.S.C. 1715(d)(3), below market interest rate (BMIR) rental housing mortgage insurance.
- Section 221(d)(4), National Housing Act, 12 U.S.C. 1715(d)(4), mortgage insurance refinancing.
- Section 221(g)(4), National Housing Act, 12 U.S.C. 1715(g)(4), assignment of mortgages to HUD.
- Section 223(a)(7), National Housing Act, 12 U.S.C. 1715n(a)(7), insurance for refinancing.
- Section 223(d), National Housing Act, 12 U.S.C. 1715n(d), insurance for multifamily operating loss loans.
- Section 223(f), National Housing Act, 12 U.S.C. 1715n(f), mortgage insurance for multifamily refinancing.
- Section 231, National Housing Act, 12 U.S.C. 1715v, mortgage insurance for elderly and handicapped rental housing.
- Section 235, National Housing Act, 12 U.S.C. 1715z, home mortgage interest reduction payments.
- Section 236, National Housing Act, 12 U.S.C. 1715z-1, rental and cooperative housing interest reduction payments.
- Section 241, National Housing Act, 12 U.S.C. 1715z-6, multifamily supplemental loans.
- Section 502, Housing Act of 1949, 42 U.S.C. 1472, rural direct and guaranteed single-family housing loans.
- Section 504, Housing Act of 1949, 42 U.S.C. 1474, rural very low income home repair loans and grants.
- Section 514, Housing Act of 1949, 42 U.S.C. 1484, farm labor housing loans.
- Section 515, Housing Act of 1949, 42 U.S.C. 1485, rural rental and cooperative housing.
- Section 516, Housing Act of 1949, 42 U.S.C. 1486, farm labor housing grants.
- Section 521, Housing Act of 1949, 42 U.S.C. 1490a, rural rental assistance.
- Section 533, Housing Act of 1949, 42 U.S.C. 1490m, rural housing preservation grants.
- Section 538, Housing Act of 1949, 42 U.S.C. 1490p-2, guaranteed rural rental housing loans.
- Section 811, Cranston-Gonzalez National Affordable Housing Act, 42 U.S.C. 8013, supportive housing for persons with disabilities.

SELECTED LIST OF MAJOR HOUSING & HOUSING-RELATED LAWS

AIDS Housing Opportunity Act (Housing Opportunities for Persons with AIDS or HOPWA), title VIII, subtitle D of the Cranston-Gonzalez National Affordable Housing Act, P.L. 101-625, 104 Stat. 4079.

American Recovery and Reinvestment Act of 2009, P.L. 111-5, 123 Stat. 115.

Civil Rights Act of 1964, P.L. 88-352, 78 Stat. 241.

Fair Housing Act, title VII, Civil Rights Act of 1968, P.L. 90-284, 82 Stat. 81.

Cranston-Gonzalez National Affordable Housing Act, P.L. 101-625, 104 Stat. 4079.

Department of Housing and Urban Development Act, P.L. 89-17, 79 Stat. 667.

Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, P.L. 111-203, 124 Stat. 1376.

HOME Investment Partnerships Act, title II, Cranston-Gonzalez National Affordable Housing Act, P.L. 101-625, 104 Stat. 4079.

Home Mortgage Disclosure Act, P. L. 94-200, 89 Stat. 1125.

Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH), Division B, Helping Families Save Their Homes Act of 2009, P.L. 111-222, 123 Stat. 1633.

Housing and Economic Recovery Act of 2008, P.L. 110-289, 122 Stat. 2654.

Housing and Community Development Act of 1974, P.L. 93-383, 88 Stat. 633.

Housing and Community Development Act of 1987, P.L. 100-242, 101 Stat. 1815.

Housing and Community Development Act of 1992, P.L. 102-550, 106 Stat. 3672.

Housing and Urban Development Act of 1965, P.L. 89-117, 79 Stat. 451.

Housing and Urban Development Act of 1968, P.L. 90-448, 82 Stat. 476.

Housing and Urban Development Reform Act of 1989, P.L. 101-235, 103 Stat. 1987.

Housing and Urban-Rural Recovery Act of 1983, P.L. 98-181, 97 Stat. 1153.

Housing Act of 1959, P.L. 86-372, 73 Stat. 654.

Multifamily Housing Property Disposition Reform Act of 1994, P.L. 103-233, 108 Stat. 342.

National Housing Act, P.L. 73-479, 48 Stat 1246.

National Housing Trust Fund, §1338 to the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, P.L. 102-550 (FHEFSSA), as amended by §1131 of the Housing and Economic Recovery Act of 2008, P.L. 109-289.

Protecting Tenants at Foreclosure Act, Division A, title VII, Helping Families Save Their Homes Act of 2009, P.L. 111-22, 123 Stat. 1633.

Stafford Disaster Relief and Emergency Assistance Act, P.L. 100-707.

Quality Housing and Work Responsibility Act of 1998, P.L. 105-276, 112 Stat. 2461.

Supportive Housing for Persons with Disabilities, Section 811, Cranston-Gonzalez National Affordable Housing Act, P.L. 101-625, 104 Stat. 4079.

Stewart B. McKinney Homeless Assistance Act, P.L. 100-77, 101 Stat. 482.

United States Housing Act of 1937, P.L. 75-412, 50 Stat. 888.

Housing Act of 1949, P.L. 81-171, 63 Stat. 413.

GLOSSARY

The assistance of the Local Initiatives Support Corporation in the preparation of this document is appreciated.

ADVANCE APPROPRIATION. Budget authority or appropriation that becomes available in one or more fiscal years after the fiscal year for which the appropriation was enacted. For example, an advance appropriation in the FY10 appropriations act would become available for programs in FY11 or beyond. The amount is not included in the budget totals of the year for which the appropriation act is enacted but rather in those for the fiscal year in which the amount will become available for obligation.

AFFORDABLE HOUSING. Housing that costs an owner or renter no more than 30% of household income.

AMORTIZE. Decrease an amount gradually or in installments, especially in order to write off an expenditure or liquidate a debt.

AFFORDABLE HOUSING PROGRAM (AHP). A program of the Federal Home Loan Bank system, AHP provides subsidized cash advances to member institutions to permit them to make below-market loans for eligible housing activities.

ANNUAL ADJUSTMENT FACTOR. The mechanism for adjusting rents in certain types of Section 8-assisted properties, including Section 8 New Construction/Substantial Rehab. HUD publishes annual percentage factors by unit type and region.

ANTI-DEFICIENCY ACT. A federal law forbidding federal employees from spending money or incurring obligations that have not been provided for in an appropriation.

APPROPRIATION. A provision of law providing budget authority that enables an agency to incur obligations and to make payments out of the Treasury for specified purposes. Non-entitlement programs are funded through annual appropriations.

AREA MEDIAN INCOME (AMI). The midpoint in the income distribution of within a specific geographic area. By definition, 50% of households, families or individuals earn less than the median income, and 50% earn more. HUD calculates family AMI levels for different communities annually, with adjustments for family size. AMI is used to determine the eligibility of applicants for both federally and locally funded housing programs.

ASSISTED HOUSING. Housing where the monthly costs to the tenant are subsidized by federal or other programs.

AUTHORIZATION. Legislation that establishes or continues operation of a federal program or agency either indefinitely or for a specific period of time or that sanctions a particular type of obligation or expenditure within a program.

BELOW MARKET INTEREST RATE (BMIR). See Section 221(d)(3) BMIR.

BLOCK GRANTS. Grants made by the federal government on a formula basis, usually to a state or local government.

BORROWING AUTHORITY. The authority to incur indebtedness for which the federal government is liable, which is granted in advance of the provision of appropriations to repay such debts. Borrowing authority may take the form of authority to borrow from the Treasury or authority to borrow from the public by means of the sale of federal agency obligations. Borrowing authority is not an appropriation since it provides a federal agency only with the authority to incur a debt, and not the authority to make payments from the Treasury under the debt. Appropriations are required to liquidate the borrowing authority.

BROOKE RULE. Federal housing policy that limits a tenant's contribution to rent in public housing and under the Section 8 program to 30% of income. This amount is considered to be the maximum that one should have to pay for rent without becoming 'burdened.' The rule is based on an amendment sponsored by then Senator Edward Brooke (R-MA) to the public housing program in 1971. The original Brooke amendment limited tenant contributions to 25%. The limit was increased from 25% to 30% in 1981.

BUDGET AUTHORITY. The legal authority to enter into obligations that will result in immediate or future outlays of federal funds. Budget authority is provided in appropriation acts.

BUDGET ENFORCEMENT ACT (BEA). An expired 1990 Act of Congress credited in part with creating a budget surplus by establishing limits on discretionary spending, maximum deficit amounts, pay-as-you-go rules for revenue and direct spending, new credit budgeting procedures, and other changes in budget practices. Congress has wrangled over the re-establishment of pay-as-you-go rules and disagreement about whether such rules should apply to both spending and taxation or only to spending.

BUDGET RESOLUTION. A concurrent resolution passed by both houses of Congress that does not require the signature of the president. The budget resolution sets forth various budget totals and functional allocations and may include reconciliation instructions to specific House or Senate committees.

COLONIAS. The rural, mostly unincorporated communities located in California, Arizona, New Mexico, and Texas along the U.S.-Mexico border. Colonias are characterized by high poverty rates and substandard living conditions, and are defined primarily by what they lack, such as potable drinking water, water and wastewater systems, paved streets, and standard mortgage financing.

COMMUNITY AND HOUSING DEVELOPMENT ORGANIZATION (CHDO). A federally defined type of nonprofit housing provider that must receive a minimum of 15% of all federal HOME Investment Partnership Funds.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG). The annual grants administered by HUD on a formula basis to cities and other units of government for community development activities. The CDBG program is authorized by Title I of the Housing and Community Development Act of 1974.

COMMUNITY DEVELOPMENT CORPORATIONS. Community development corporations are nonprofit, community-based organizations that provide capital locally through the development of both residential and commercial property, ranging from affordable housing to developing shopping centers and even owning businesses.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (CDFI). A specialized financial institution that works in market niches that have not been adequately served by traditional financial institutions. CDFIs provide a wide range of financial products and services, including mortgage financing, commercial loans, financing for community facilities, and financial services needed by low income households. Some CDFIs also provide technical assistance. To be certified as a CDFI by the CDFI Fund of the Treasury Department, an institution must engage in community development, serve a targeted population, provide financing, have community representatives on its board, and be a non-governmental organization.

COMMUNITY REINVESTMENT ACT (CRA). A program that requires periodic evaluations of insured depository institutions and their efforts in helping meet the credit needs in their communities.

CONGRESSIONAL BUDGET OFFICE (CBO). An organization created by Congress that provides staff assistance to Congress on the federal budget.

CONSOLIDATED PLAN. The Consolidated Plan, or ConPlan, combines all of the planning, application, and performance requirements previously required separately for Community Development Block Grants (CDBG), Emergency Shelter Grants (ESG), Housing Opportunities for People With AIDS (HOPWA), and programs such as HOME that require a Comprehensive Housing Affordability Strategy (CHAS).

CONTINUING RESOLUTION (CR). Spending bill that provides funds for government operations for a short period of time until Congress and the President agree on an appropriations bill.

CREDIT UNION. A nonprofit financial institution typically formed by employees of a company, labor union, or religious group and operated as a cooperative. Credit unions may offer a full range of financial services and pay higher rates on deposits and charge lower rates on loans than commercial banks. Federally chartered credit unions are regulated and insured by the National Credit Union Administration.

DISCRETIONARY SPENDING. Budget authority, other than for entitlements, and ensuing outlays provided in annual appropriations acts. The Budget Resolution sets limits or caps on discretionary budget authority and outlays.

EARMARKS. Appropriations that are dedicated for a specific, particular purpose. The funding of the Community Development Fund typically has earmarks as part of the Economic Development Initiative.

EMERGENCY LOW INCOME HOUSING PRESERVATION ACT (ELIHPA). The 1987 statute authorizing the original federal program to preserve federally assisted multifamily housing. The program was active 1987-1992.

ENHANCED VOUCHERS. The tenant-based Section 8 assistance provided to eligible residents when owners prepay their subsidized mortgages or opt out of project-based Section 8 contracts. Rents are set at market comparable levels, instead of the regular voucher payment standard, as long as the tenant elects to remain in the housing.

ENTITLEMENT JURISDICTION. Under the Community Development Block Grant communities that meet certain statutory requirements are 'entitled' to receive funding under the program. These communities are known as 'entitlement jurisdictions.'

ENTITLEMENTS. Entitlements benefits available based on meeting a certain set of criteria. Access to entitlement benefits, such as social security, is not limited by the need for appropriations.

EXIT TAX. The taxes paid on the recapture of depreciation and other deductions, experienced upon sale of a property. In some affordable housing transactions, sellers may face a significant exit tax even when they do not receive net cash at sale.

EXPIRING USE RESTRICTIONS. The low and moderate income affordability requirements associated with subsidized mortgages under Section 221(d)3 BMIR and Section 236, which terminate when the mortgage is prepaid.

EXTREMELY LOW INCOME. A household income below 30% of area median, as defined by HUD.

FAIR MARKET RENTS (FMR). HUD's estimate of the actual market rent for a modest apartment in the conventional marketplace. Fair market rents include utility costs (except for telephones). Every year, HUD develops and publishes FMRs for every MSA and apartment type. FMRs are currently established at the 40th percentile rent, the top of the range that renters pay for 40% of the apartments being surveyed, with the exception of some high-cost jurisdictions, where it is set at the 50th percentile.

FANNIE MAE (FEDERAL NATIONAL MORTGAGE ASSOCIATION). A federally chartered government-sponsored enterprise that purchases mortgages from originators to facilitate new mortgage lending. Similar to Freddie Mac.

FARMERS HOME ADMINISTRATION (FmHA). The former name of the Rural Housing Service.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC). The federal agency established in 1933 that guarantees (within limits) funds on deposits in member banks and thrift institutions and performs other functions such as making loans to or buying assets from member institutions to facilitate mergers or prevent failures.

FEDERAL HOUSING ADMINISTRATION (FHA). A part of the Department of Housing and Urban Development that insures lenders against loss on residential mortgages. It was founded in 1934 in response to the Great Depression to execute the provisions of the National Housing Act.

FEDERAL HOUSING FINANCE AGENCY (FHFA). Created in 2008 to take over the functions of the Office of Federal Housing Enterprise Oversight (OFHEO) and the Federal Housing Finance Board (FHFB). OFHEO was the regulator for Freddie Mac and Fannie Mae, and the FHFB regulated the Federal Home Loan Banks.

FEDERAL HOUSING FINANCE BOARD (FHFB). Federal agency created by Congress in 1989 to assume oversight of the Federal Home Loan Bank System from the dismantled Federal Home Loan Bank Board. The FHFB was merged into the Federal Housing Finance Agency (FHFA) in 2008. The FHFA also regulates Freddie Mac and Fannie Mae.

FEDERAL RESERVE BOARD (FRB). The governing board of the Federal Reserve System. Its seven members are appointed by the president, subject to Senate confirmation, and serve 14-year terms. The Board establishes Federal Reserve System

policies on such key matters as reserve requirements and other bank regulations, sets the discount rates, and tightens or loosens the availability of credit in the economy.

FEDERAL RESERVE SYSTEM. The system established by the Federal Reserve Act of 1913 to regulate the U.S. monetary and banking system. The Federal Reserve System ('the Fed') consists of 12 regional Federal Reserve Banks, their 24 branches, and all national and state banks that are part of the system. National banks are stockholders of the Federal Reserve Bank in their region. The Federal Reserve System's main functions are to regulate the national money supply, set reserve requirements for member banks, supervise the printing of currency at the mint, act as clearinghouse for the transfer of funds throughout the banking system, and examine member banks' compliance with Federal Reserve regulations.

FINANCIAL INSTITUTION. An institution that collects funds from the public to place in financial assets such as stocks, bonds, money market instruments, bank deposits, or loans. Depository institutions (banks, savings and loans, saving banks, credit unions) pay interest on deposits and invest the deposit money, mostly in loans. Non-depository institutions (insurance companies, pension plans) collect money by selling insurance policies or receiving employer contributions and pay it out for legitimate claims or for retirement benefits. Increasingly, many institutions are performing both depository and non-depository functions.

FISCAL YEAR (FY). The accounting period for the federal government. The fiscal year for the federal government begins on October 1 and ends the next September 30. It is designated by the calendar year in which it ends; for example, FY11 begins on October 1, 2010, and ends on September 30, 2011.

FLEXIBLE SUBSIDY. A direct HUD loan or grant for rehabilitation or operating losses, available to eligible owners of certain HUD-subsidized properties. Owners must continue to operate the project as low and moderate income housing for the original mortgage term. Not currently active.

FORECLOSURE. The process by which a mortgage holder who has not made timely payments of principal and interest on a mortgage loses title to the home. The holder of the mortgage, whether it be a bank, a savings and loan, or an individual, uses the foreclosure process to satisfy the mortgage debt either by obtaining the proceeds from the sale of the property at foreclosure or taking title to the property and selling it at a later date. Foreclosure processes vary from state to state and can be either judicial or non-judicial.

FORMULA ALLOCATION. These programs allocate funds to recipients based on a formula. The parameters for the formula are usually established by statute and are often based in the need of the recipient for the program being funded. CDBG and HOME are formula allocation programs.

FREDDIE MAC (FEDERAL HOME LOAN MORTGAGE CORPORATION). A federally chartered government-sponsored enterprise that purchases mortgages from originators to facilitate new mortgage lending. Similar to Fannie Mae.

FREEDOM OF INFORMATION ACT (FOIA). This generally refers to the process of securing documents from HUD or other federal agencies in accordance with required procedures. Certain types of documents, including owner financial statements, are considered privileged and are not available for disclosure to the public.

GOVERNMENT ACCOUNTABILITY OFFICE (GAO). Formerly known as the General Accounting Office, the GAO is a Congressional agency that monitors the programs and expenditures of the federal government.

GINNIE MAE (GOVERNMENT NATIONAL MORTGAGE ASSOCIATION). An agency of HUD, Ginnie Mae guarantees payment on mortgage-backed securities, which represent pools of residential mortgages insured or guaranteed by the FHA, the Veterans Administration, or the Rural Housing Service.

GOVERNMENT SPONSORED ENTERPRISE (GSE). An enterprise established by the federal government but privately-owned and operated. Fannie Mae and Freddie Mac are GSEs, as are the Federal Home Loan Banks.

GUARANTEED LOAN. A loan in which a private lender is assured repayment by the federal government of part or all of the principal, interest, or both, in the event of a default by the borrower.

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME). Administered by HUD's Office of Community Planning and Development, this program provides formula grants to states and localities (see also PARTICIPATING JURISDICTIONS) to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low income people. The HOME program is authorized by Title II of the 1990 Cranston-Gonzalez National Affordable Housing Act.

HOME MORTGAGE DISCLOSURE ACT (HMDA). This act, which was created in 1975, requires most financial institutions that make mortgage loans, home improvement loans, or home refinance loans to collect and disclose information about their lending practices.

HOMELESS EMERGENCY ASSISTANCE AND RAPID TRANSITION TO HOUSING (HEARTH) Act of 2009. Signed into law in 2009 (P.L. 111-22), this law revises the McKinney-Vento Homeless Assistance Grant programs and will provide communities with new resources and better tools to prevent and end homelessness. The legislation: increases priority on homeless families with children, significantly increases resources to prevent homelessness, provides incentives for

developing permanent supportive housing and creates new tools to address homelessness in rural areas.

HOUSING ASSISTANCE PAYMENTS (HAP). HAP is the payment made according to a HAP contract between the agency issuing a housing choice voucher (HCV) and the landlord renting a unit to the holder of the HCV.

HOUSING BONDS. Bonds that are secured by mortgages on homes or rental properties. Generally the bonds are issued by states and the housing financed by the bond is targeted to lower income families or individuals.

HOUSING CHOICE VOUCHERS (HVC). Also known as Section 8 or Section 8 vouchers, this is a rental assistance program funded by HUD. The goal of the program is to assist primarily extremely low income families rent housing in the private market. Under the program the federal government pays a portion of the family's rent each month. Families participating in the Housing Choice Voucher Program can rent a single-family home, an apartment or a condominium. Prior to receiving a subsidy every unit must pass a housing inspection. Once the unit passes inspection and rent guidelines, voucher families pay a percentage of their monthly adjusted income toward monthly rent and utilities (generally not more than 30%) and the rest is paid with the federal subsidy.

HOUSING COSTS. Essentially, they are the costs of occupying housing. Calculated on a monthly basis, housing costs for renters include "contract rent, utilities, property insurance, mobile home park fee." For owners, monthly housing costs are "the sum of monthly payments for all mortgages or installment loans or contracts, except reverse annuity mortgages and home equity lines of credit. Costs also include real estate taxes (including taxes on manufactured/ mobile homes, and manufactured/mobile home sites if the site is owned), property insurance, homeowner association fees, cooperative or condominium fees, mobile home park fees, land rent, utilities." Utilities include "electricity, gas, fuels (oil, coal, kerosene, or wood), water, sewage disposal, garbage and trash collection." (2001 AHS, Appendix A, <http://www.census.gov/hhes/www/housing/ahs/ahs01/appendixa.pdf>)

HOUSING FINANCE AGENCY. The state agency responsible for financing housing and administering assisted housing programs.

HOUSING STARTS. The indicator of residential construction activity monitored by the Department of Commerce. Housing starts represent the start of construction of a house or apartment building, which means the digging of the foundation. Other categories are housing permits, housing completions, and new home sales.

HOUSING TRUST FUNDS. Distinct funds, usually established by state or local governments, that receive ongoing public revenues which can only be spent on affordable housing

initiatives, including new construction, preservation of existing housing, emergency repairs, homeless shelters, housing-related services, and multifamily building for nonprofit organizations.

HUD INSPECTOR GENERAL. The HUD official appointed by the president who is responsible for conducting audits and investigations of HUD's programs and operations.

INCLUSIONARY ZONING. A requirement or incentive to reserve a specific percentage of units in new residential developments for moderate income households.

INDEPENDENT AGENCY. An agency of the United States government that is created by an act of Congress and is independent of the executive departments. The Securities and Exchange Commission is an example of an independent agency.

INTERMEDIARY ORGANIZATION. Organizations that play a fundamental role in encouraging, promoting, and facilitating business-to-business contacts. These can include both nonprofit and for-profit organizations: chambers of commerce; trade associations; local, civic, and community groups; state and local governments; academic institutions; and private corporations.

LEVERAGING. The maximization of the effects of federal assistance for a project by obtaining additional project funding from non-federal sources.

LOW INCOME HOUSING PRESERVATION AND RESIDENT HOMEOWNERSHIP ACT (LIHPRHA). The 1990 statute authorizing the 'permanent' federal multifamily preservation program. The program was active 1990 - 1996.

LOW INCOME HOUSING TAX CREDITS (LIHTC). Enacted by Congress in 1986 to provide the private market with an incentive to invest in affordable rental housing. Federal housing tax credits are awarded to developers of qualified projects. Developers then sell these credits to investors to raise capital (or equity) for their projects, which reduces the debt that the developer would otherwise have to borrow. Because the debt is lower, a tax credit property can in turn offer lower, more affordable rents. Provided the property maintains compliance with the program requirements, investors receive a dollar-for-dollar credit against their Federal tax liability each year over a period of 10 years. The amount of the annual credit is based on the amount invested in the affordable housing.

LOW INCOME. As applied to most housing programs, household income below 80% of metropolitan area median, as defined by HUD, is classified as low income. See also **EXTREMELY LOW INCOME**, **VERY LOW INCOME**.

MARK-TO-MARKET. The process of reducing above-market rents to market levels. In ordinary usage, this means HUD

recognizing defaults on FHA-insured mortgages, paying the mortgage claims, and restructuring the remaining available debt service into a new mortgage.

MARK-UP-TO-MARKET. A federal program to adjust rents on assisted housing up to the market rate.

METROPOLITAN STATISTICAL AREA (MSA). The basic census unit for defining urban areas and rental markets.

MODEL CITIES. An element of President Lyndon Johnson's War on Poverty. It was created 1966 but ended in 1974. The purpose of the program was to improve coordination of existing urban programs and provide additional funds for local plans.

MODERATE HOUSING PROBLEMS. As used in this Guide and by HUD, moderate problems consist of cost burden above 30% but not more than 50% of income, occupancy of housing with moderate physical problems, or overcrowding (more than one person per room).

MORTGAGE BANKER. The company, or individual, that originates mortgage loans, sells them to other investors, services the monthly payments, keeps related records, and acts as escrow agent to disperse funds for taxes and insurance. A mortgage banker's income derives from origination and servicing fees, profits on the resale of loans, and the spread between mortgage yields and the interest paid on borrowings while a particular mortgage is held before resale.

MORTGAGE BROKER. A company or individual that brings together a borrower and a lender for the purpose of assisting a borrower in obtaining a mortgage loan. The broker does not originate or service the loan.

MORTGAGE INTEREST DEDUCTION. The federal tax deduction for mortgage interest paid in a taxable year. Interest on a mortgage to acquire, construct, or substantially improve a residence is deductible for indebtedness of up to \$1 million.

MORTGAGE. The debt instrument by which the borrower (mortgagor) gives the lender (mortgagee) a lien on property as security for the repayment of a loan. The borrower has use of the property, and the lien is removed when the obligation is fully paid.

MOVING TO WORK (MTW). A demonstration program for public housing agencies (PHAs) that provides them the opportunity to design and test innovative strategies that use Federal dollars to help residents find employment and become self-sufficient. MTW gives PHAs exemptions from many existing public housing and voucher rules and more flexibility with how they use their federal funds. See article on MTW in this Guide for more information.

MULTIFAMILY ASSISTED HOUSING REFORM AND AFFORDABILITY ACT (MAHRA). The 1997 statute authorizing the Mark-to-Market program and renewals of expiring Section 8 contracts.

MULTIFAMILY. A building with five or more residential units.

NEW CONSTRUCTION/SUBSTANTIAL REHAB. A form of project-based Section 8 assistance used in the original development and financing of some multifamily housing. Projects could be both insured and uninsured (with conventional or state/local bond financing). These contracts were long-term (20-40 years). Active 1976 - 1985.

NOTICE OF FUNDING AVAILABILITY (NOFA). A notice by a federal agency, including HUD, used to inform potential applicants that program funding is available.

OFFICE OF AFFORDABLE HOUSING PRESERVATION. Formerly the Office of Multifamily Housing Assistance Restructuring (OMHAR), HUD established this office to oversee the continuation of the Mark to Market program and provide assistance in the oversight and preservation of a wide spectrum of affordable housing programs.

OFFICE OF RURAL HOUSING PRESERVATION (ORHP). Processes applications to prepay RHS multifamily housing loans and preserve housing as affordable low and very low income housing.

OFFICE OF THRIFT SUPERVISION (OTS). An agency of the Treasury Department created by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). The OTS replaced the disbanded Federal Home Loan Bank Board and assumed regulatory responsibility for the nation's saving and loan industry.

OUTLAYS. Payments made (usually through the issuance of checks or disbursement of cash) to liquidate obligations. Outlays during a fiscal year may be for payment of obligations incurred in the previous year or in the same year.

PARTICIPATING JURISDICTION (PJ). A HUD-recognized entity that is an eligible recipient of HOME funding.

PAY-AS-YOU-GO or PAYGO. A requirement that Congress offset the costs of tax cuts or increases in entitlement spending with increased revenue or savings elsewhere in the budget.

PAYMENT STANDARD. The amount used to determine how much rent a housing authority will pay monthly to subsidize a housing choice voucher holder, expressed as a percentage of the Fair Market Rent. The payment standard must be at least 80% of the FMR.

PERFORMANCE FUNDING SYSTEM. Developed by HUD to analyze costs of operating public housing developments, used as the basis for calculating the need for operating subsidies.

PERMANENT SUPPORTIVE HOUSING. Decent, safe and affordable permanent community-based housing targeted to vulnerable very low income households with serious and long term disabilities that is linked with an array of voluntary and flexible services to support successful tenancies.

PREPAYMENT PENALTY. A fee that may be levied for repayment of a loan before it falls due.

PRESERVATION. A program (enacted in 1987 with the Emergency Low Income Housing Preservation Act (ELIPHA) and later amended into the Low Income Housing Preservation and Resident Homeownership Act (LIHPRHA)) that (a) prevented owners of what are called older assisted properties from prepaying their mortgages and converting the buildings to market rate use, and (b) compensated them with financial incentives available through extension or continuation of ownership, or sale to a nonprofit buyer. While neither ELIPHA nor LIHPRHA are currently in effect, their preemption provisions may threaten state and local laws regulating the preservation of federally assisted housing.

PRIMARY MARKET. A market where financial instruments, such as loans, are created. When a homeowner gets a loan from a bank they are acting in the primary market.

PROJECT-BASED VOUCHERS. A component of a public housing agencies (PHAs) housing choice voucher program. A PHA can attach up to 20 percent of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set-aside a portion of the units in an existing development for lower income families. Rehabilitated units must require at least \$1,000 of rehabilitation per unit to be subsidized, and all units must meet HUD housing quality standards.

REAL ESTATE ASSESSMENT CENTER (REAC). The office within HUD responsible for tracking, monitoring, and enforcing the regulatory agreements of multifamily housing projects with FHA insurance or project-based assistance, including regular property inspections.

REAL ESTATE INVESTMENT TRUST (REIT). A business trust or corporation that combines the capital of many investors to acquire or finance real estate, which may include assisted housing. Cash flow generated by the properties is distributed to investors in the form of stock dividends. The REIT can also provide an attractive tax deferral mechanism by enabling investors to exchange their partnership shares for interests in the REIT, a nontaxable transfer.

REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA). A statute that prohibits kickbacks and referral fees that unnecessarily increase the costs of certain settlement services in connection with real estate transactions and provides for disclosures in connection with such transactions. HUD enforces RESPA.

RECONCILIATION BILL. A bill containing changes in law recommended by House or Senate committees pursuant to reconciliation instructions in a budget resolution.

RENT SUPPLEMENT. An older HUD project-based rental subsidy program used for some 221(d)3 and 236 properties. The subsidy contract is coterminous with the mortgage. Most rent supplement contracts in HUD-insured projects were converted to Section 8 in the 1970s.

RESIDUAL RECEIPTS. Cash accounts maintained under joint control of the owner and HUD (or Housing Finance Agency) into which is deposited all surplus cash generated over and above the allowable limited dividend or profit. The disposition of residual receipts at the end of the Section 8 contract and/or mortgage is governed by the Regulatory Agreement.

RIGHT OF FIRST REFUSAL. The right of first refusal means the right to match the terms and conditions of a third-party offer to purchase a property, within a specified time period.

RURAL DEVELOPMENT (RD). Part of the U.S. Department of Agriculture, RD administers grant and loan programs to promote and support housing and essential community facilities development in rural communities.

RURAL HOUSING SERVICE (RHS). A part of the Department of Agriculture's Rural Development division, RHS is responsible for administering a number of rural housing programs.

RURAL. As used in this guide, areas that are not urbanized. The Census Bureau defines an urbanized area as "an incorporated place and adjacent densely settled (1.6 or more people per acre) surrounding area that together have a minimum population of 50,000."

SAVINGS AND LOAN ASSOCIATION (S&L). A depository financial institution, federally or state chartered, that obtains the bulk of its deposits from consumers and holds the majority of its assets as home mortgage loans. In 1989, responding to a massive wave of insolvencies caused by mismanagement, corruption, and economic factors, Congress passed a savings and loan "bailout bill" that revamped the regulatory structure of the industry under a newly created agency, the Office of Thrift Supervision.

SAVINGS BANK. A depository financial institution that primarily accepts consumer deposits and makes home mortgage loans. Historically, savings banks were of the mutual (depositor-owned) form and chartered in only 16 states; the

majority of savings banks were located in the New England states, New York, and New Jersey.

SECONDARY MARKET. The term secondary market refers to the market in which loans and other financial instruments are bought and sold. Freddie Mac and Fannie Mae, for example, operate in the secondary market because they do not deal directly with the borrower but instead purchase loans from lenders.

SECTION 202. A HUD program created in 1959 to provide direct government loans or grants to non-profits to develop housing for the elderly and handicapped. Currently, the program provides capital grants and project rental assistance contracts.

SECTION 221(d)(3) BELOW MARKET INTEREST RATES (BMIR). A HUD program under which the federal government provided direct loans at a below market interest rate (3 percent) and FHA mortgage insurance to private developers of low and moderate income housing. Active 1963 - 1970.

SECTION 236. A program under which HUD provided interest subsidies (known as Interest Reduction Payments or IRP subsidies) and mortgage insurance to private developers of low and moderate income housing. The interest subsidy effectively reduced the interest rate on the loan to one percent. Active 1968 - 1975.

SECTION 514 LOANS AND SECTION 516 GRANTS. Administered by RHS and may be used to buy, build, improve or repair housing for farm laborers. Authorized by the Housing Act of 1949.

SECTION 515 RURAL RENTAL HOUSING PROGRAM. Provides funds for loans made by RHS to nonprofit, for profit, cooperatives, and public entities for the construction of rental or cooperative housing in rural areas for families, elderly persons, persons with disabilities, or for congregate living facilities. Authorized by the Housing Act of 1949.

SECTION 533 HOUSING PRESERVATION GRANT PROGRAM (HPG). This program, administered by RHS, provides grants to promote preservation of Section 515 properties. Authorized by the Housing Act of 1949.

SECTION 538 RENTAL HOUSING LOAN GUARANTEES. RHS may guarantee loans made by private lenders for the development of affordable rural rental housing. This program serves a higher income population than that served by the Section 515 program. Authorized the Housing Act of 1949.

SECTION 8 PROJECT-BASED CONTRACTS or PROJECT-BASED SECTION 8. Administered by HUD's Office of Multifamily Housing, Section 8 Project-Based Assistance takes the form of a contract between HUD and building owners, who agree to provide housing to eligible tenants in exchange for

long-term subsidies. Project-Based Assistance limits tenant contributions to 30 percent of the household's adjusted income. Assistance may be provided to some or all of the units in a project occupied by eligible tenants and is attached to the unit and stays with the housing after the tenant leaves.

SECTION 8 PROJECT-BASED VOUCHERS. Uses housing choice vouchers to provide place-based assistance to a project by allowing local housing authorities to contract with property owners to place a limited number of vouchers in a project. These vouchers remain with the project even if the assisted tenant moves. The effect is similar to the project-based section 8 program in that the place-based funding helps preserve the affordability of the units. One difference between the two programs is the mobility feature of the project-based voucher program which allows a tenant to move with continued assistance in the form of a housing choice vouchers. This program is administered by HUD's Office of Public and Indian Housing and local housing authorities.

SECTION 8 VOUCHERS. Administered by HUD's Office of Public and Indian Housing and local housing authorities, housing choice vouchers are allocated to individual households and provide a rental subsidy, generally limiting the tenant contribution to rent to 30 percent of the household's adjusted income. Local housing authorities can attach a limited number of their housing choice vouchers to individual units, thereby 'project-basing' them. See Section 8 project-based vouchers.

SECTION 811. The program provides funds to nonprofit organizations to develop rental housing, with supportive services, for very low income adults with disabilities and provides rent subsidies for the projects to help make them affordable.

SEVERE HOUSING PROBLEMS. As used by HUD in defining priorities, severe housing problems are homelessness, displacement, housing cost burden above 50% of income, and occupancy of housing with serious physical problems. Data on severe housing problems drawn from the American Housing Survey measures only cost burden and physical problems.

SINGLE-FAMILY. A single-family property is a residential property with fewer than 5 units.

STAFFORD DISASTER RELIEF AND EMERGENCY ASSISTANCE ACT (STAFFORD ACT, P.L. 100-707). Provides a systemic means of providing federal natural disaster assistance to state and local governments. The act establishes the Presidential declaration process for major emergencies, provides for the implementation of disaster assistance, and sets forth the various disaster assistance programs.

STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT. Enacted in July 1987, the McKinney Act, P.L. 100-77 established distinct assistance programs for the growing numbers of homeless persons. Recognizing the variety of

causes of homelessness, the original McKinney Act authorized 20 programs offering a multitude of services, including emergency food and shelter, transitional and permanent housing, education, job training, mental health care, primary health care services, substance abuse treatment, and veterans' assistance services. The Act was renamed to the McKinney-Vento Homeless Assistance Act, in 2000 to reflect the late Representative Bruce Vento's (D-MN) work to improve housing for the poor and homeless. The Act was revised in 20002 and again in 2009. See Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009.

TAX CREDIT. A provision of the tax code that specifies an amount by which a taxpayer's taxes will be reduced in return for some behavior.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF). Provides block grants to states administered under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which established a new welfare system. The TANF block grant replaced Aid to Families with Dependent Children (AFDC). The chief feature of TANF was the abolition of a federal entitlement to cash assistance.

THRIFT. See SAVINGS AND LOAN ASSOCIATION (S&L).

VERY LOW INCOME (VLI). A household where the household income is at or below 50% of area median, as defined by HUD.

VOUCHER. A government payment to, or on behalf of, a household, to be used solely to pay a portion of the household's housing costs in the private market. Vouchers are considered tenant-based assistance because they are not typically connected to a particular property or unit (although they may be 'project-based' in some cases) but are issued to a tenant.

WORST CASE HOUSING PROBLEMS. Unsubsidized very low income renter households with severe housing problems. HUD is required to submit a periodic report to Congress on worst case housing problems.

ADVOCATES' GUIDE AUTHORS

Steve Berg

Steven R. Berg, Vice President for Programs and Policy at the National Alliance to End Homelessness, specializes in the impact on homelessness of public policies regarding employment, human services and housing. He also oversees most of the programmatic work of the Alliance. He came to the Alliance from the Center on Budget and Policy Priorities, where he worked on state-level welfare reform and employment. Before coming to Washington he spent 14 years as a legal services attorney in California and Connecticut, working on housing, government benefits, employment and family integrity issues. His experience includes nonprofit management and staff training and development.

Ana Beltran

Ana Beltran is Special Advisor to Generations United's (GU's) National Center on Grandfamilies, the Center's former Director, and an attorney. For over a decade, she has worked on the housing issues faced by grandfamilies. She helped draft the LEGACY legislation and the change to the HOME provision mentioned in her chapter, and engaged in advocacy efforts to have both enacted. Once LEGACY became law, Ms. Beltran directed GU's subcontract with HUD to help implement it. She is the author of numerous articles and publications, including GU's "Grandparents and Other Relatives Raising Children: An Action Agenda to Create Affordable Housing Opportunities." She is an experienced trainer and spoke at that symposium, in addition to numerous national, state, and local conferences.

Nancy Bernstine

Nancy Bernstine has served as executive director of the National AIDS Housing Coalition (NAHC) since 2003. NAHC is a national housing advocacy and policy organization which focuses on the housing and housing-related support service needs of people with HIV/AIDS. Previously, she was a member of a Washington, D.C. law firm providing legislative and administrative representation for non-profit housing organizations and housing industry trade associations. She has worked in senior policy positions in U.S. nonprofit housing organizations including the National Housing Law Project and the McAuley Institute. Nancy is a trustee of the National Housing Conference and is a member of the District of Columbia Bar and the American Bar Association Affordable Housing Forum.

Cathy Bishop

Cathy Bishop has 30 plus years of experience in federal housing law and is a recognized legal expert in the field. A veteran litigator, trainer and advocate, Ms. Bishop has built long-standing relationships with residents of federally

assisted housing, legal and policy advocates, as well as with numerous representatives of HUD and housing authority officials, nationwide. Ms. Bishop currently focuses on public housing and voucher issues including full utilization of vouchers, portability and discrimination against source of income, and tenant's rights and participation, the PHA Annual Plan process, HOPE VI, demolition and disposition of public housing, and promoting an improving programs such as Section 3, an employment opportunity obligation attached to housing and community development funding and issues related to ensuring that individuals who have previously been incarcerated and paid their debt to society have the opportunity to reside in federally assisted housing.

Megan Bolton

Megan joined the National Low Income Housing Coalition as Research Analyst in June 2009. Prior to joining NLIHC as a full-time employee, she earned a master's degree in public policy from the George Washington University while working as a research intern at NLIHC and then as an intern with the Local Initiatives Support Corporation (LISC) where she worked for the Housing Authority Resource Center, a national program run by LISC. Before moving to D.C. to pursue her master's degree, Megan spent almost five years working as the Portfolio Analyst at the Low Income Investment Fund in San Francisco. Megan has a B.A. in anthropology from Penn State University.

Elina Bravve

Elina joined the NLIHC staff in September 2010. Prior to joining NLIHC, Elina worked on affordable housing policy for the U.S. Green Building Council and undertook a housing market study for the Washington, D.C. Office of Planning. She completed her undergraduate studies in sociology and politics at Brandeis University and earned a master's degree in city and regional planning from the University of North Carolina-Chapel Hill.

Mary Brooks

Mary E. Brooks has worked as a low income housing advocate for more than 30 years. The majority of her work has involved policy advocacy advancing affordable housing, land use and zoning, community development, and civil rights issues. She holds a Masters Degree in City and Regional Planning from Ohio State University, where she received the College of Engineering Distinguished Alumna Award. She was awarded the Community Housing Leadership Award by the National Low Income Housing Coalition in 2004. Currently, she directs the Housing Trust Fund Project of the Center for Community Change. Mary also serves as a board member for NLIHC.

Corey Carlisle

Corey Carlisle is the Director of Federal Policy and Government Affairs of the Low Income Investment Fund (LIIF). LIIF's mission is to alleviate poverty by providing capital for housing, childcare, educational facilities, transit-oriented development, healthy foods, and other projects that create healthy families and communities. In this role, he manages LIIF's public policy and advocacy efforts on legislation and programs in these areas that affect low income communities and the community capital industry. Mr. Carlisle is a member of the National Low Income Housing Coalition's Production Committee, serves on the advisory boards of the National Housing Conference, the Opportunity Finance Network, and chairs the Charter School Lenders Coalition. Prior to joining LIIF, he was the Associate Vice President of Governmental Affairs at the Mortgage Bankers Association. Mr. Carlisle began his career as the legislative assistant to Senate Budget Committee Chairman Kent Conrad (D-North Dakota) and went on to work for several large financial institutions and banks including Freddie Mac and Bank of America. Mr. Carlisle holds a Master's of Science degree in Political Economy from the London School of Economics and Political Science and a B.A. in Economics and Political Science from the University of Minnesota.

Judith Chavis

Judith P. Chavis is the Executive Vice President for Public Policy & Special Projects for the American Association of Service Coordinators (AASC) and has more than 25 years of association, public policy, social services and community assistance experience. Prior to working at AASC, Judy was the Assistant Executive Director of the Ohio Job and Family Services Directors' Association where she provided training, legislation development, technical assistance and policy advocacy on public assistance programs (e.g., TANF, subsidized child care, Food Stamps/SNAP, Medicaid, etc.) and issues affecting low income families, workforce development programs, adult protective services, child support enforcement and child protective services. Judy has a Master's degree in Public Administration from Ohio University and a B.A. in Political Science/Sociology from The Ohio State University.

Linda Couch

Linda Couch is the Senior Vice President for Policy and Research at the National Low Income Housing Coalition. Linda oversees NLIHC's policy and research teams and focuses her work focuses on public and assisted housing, budget and appropriations, the National Housing Trust Fund, and other issues. Linda has been with NLIHC in various roles since 1995, except for three years working on very low income housing issues for the American Association of Homes and Services for the Aging. Linda has a background in state governmental affairs, working for a private consulting firm and as a fellow in the Connecticut General Assembly's Office of Legislative Research. Linda has a Masters of Public Affairs from the University of Connecticut and a B.A. in philosophy from George Washington University.

Sheila Crowley

Sheila Crowley is the President and CEO of the National Low Income Housing Coalition, where she heads a membership organization dedicated solely to ending the affordable housing crisis in America. She joined the staff of NLIHC in December 1998, after two decades in Richmond, VA, in organizational leadership, direct service, policy advocacy, and scholarship. She is a social worker with a bachelor's (1976), master's (1978), and Ph.D. (1998) from the School of Social Work at Virginia Commonwealth University. She is an adjunct faculty member for the VCU School of Social Work and for George Mason University Department of Social Work, teaching social policy, social justice, policy advocacy, and community and organizational practice. She was the 1996-1997 Social Work Congressional Fellow, where she served on the Democratic staff of the Housing Subcommittee of the United States Senate Banking Committee. From 1984-1992, she was the Executive Director of The Daily Planet, a multipurpose homeless service and advocacy organization in Richmond.

Lance George

Lance George is a Senior Research Associate at the Housing Assistance Council (HAC) based in Washington, D.C. HAC, founded in 1971, is a nonprofit organization that supports affordable housing efforts in rural areas of the United States. Before coming to HAC, Lance worked for Frontier Housing, Inc., a nonprofit organization that builds affordable homes for low income families in Appalachian Eastern Kentucky. Lance's research and policy analysis at HAC encompasses a wide array of issues and topics related to rural housing.

Ed Gramlich

Ed Gramlich has been at NLIHC since October 2005. Currently he is the Director of Regulatory Affairs. Prior to joining the staff of the Coalition, Mr. Gramlich worked for 26 years at the Center for Community Change (CCC) where his primary function was to provide technical assistance about CDBG to low income community-based groups. While at CCC, Mr. Gramlich also devoted considerable time to providing technical assistance to groups about the CHAS and ConPlan processes.

Doug Hall

Doug Hall became Director of EPI's Economic Analysis and Research Network (EARN) in July 2009, after being an active member of EARN for ten years. EARN is a vibrant network of 56 state groups in 42 states, each sharing the common goal of using economic research and public policy advocacy to improve the well being of working families. Hall most recently served as director of operations and research for the Connecticut EARN partner, Connecticut Voices for Children, where he played a leading role in work related to family economic security and state tax and budget issues. He is the author or co-author of dozens of reports, including eight *State of Working Connecticut* reports. His work has been extensively cited by statewide media, and he has contributed several op-ed pieces for publication in newspapers such as the *Hartford Courant*

and the *Kentucky Post*. He has also appeared as an expert on public affairs shows on Connecticut television stations such as NBC30, Fox 61, and CPTV, and on KET in Kentucky. Hall earned a PhD in Political Studies at Queen's University in Ontario, and also has Bachelor's and Master's degrees specializing in public policy and administration.

Mindy La Branche

Mindy La Branche is a legislative and policy associate at the National Council of State Housing Agencies, where she has worked since 2007. Ms. La Branche received her Bachelor of Arts degrees in business administration and global leadership from Huntingdon College and is pursuing her Masters of Business Administration at Georgetown University.

Nancy Libson

Nancy Libson is the Associate Director for Housing Strategy at Leading Age (formerly AAHSA). Her career in affordable housing has spanned more than 40 years in affordable housing development, policy development, advocacy, and technical assistance. Her experience includes eight years as staff and staff director of the Housing Subcommittee of the House Financial Services Committee, the Office of Legislation at HUD, the Appalachian Regional Commission, the DC Public Housing Authority, the National Center for Housing Management, Hessel, Aluise, and Neun, and an affordable housing developer.

Patrick Maier

Patrick Maier is the Executive Director of the Innovative Housing Institute (IHI), a non-profit consulting organization that is a nationally recognized leader in the field of inclusionary housing. The Institute provides research, consultation, and information on the best practices to local and state governments faced with housing affordability challenges. Under Mr. Maier's direction, IHI is the lead partner of the National Inclusionary Housing Conference, a biannual conference that serves to provide the educational and inspirational leadership of the Inclusionary Housing Movement.

Jane Malone

Jane Malone joined the National Center for Healthy Housing as Policy Director in 2010 after working for the Alliance for Healthy Homes for 12 years. Her current work focuses on advancing commitments to healthy homes by Congress and federal agencies, supporting local partners' policy change work, and improving model housing codes and standards. Prior to focusing on indoor environmental health concerns, she led efforts in Philadelphia to eliminate homelessness and improve public education. She attended the University of Pennsylvania.

Shambhavi Manglik

Sham received a Masters in Public Policy and Management from Carnegie Mellon University and joined the staff of NLIHC in May 2011. In her second year of graduate school, Sham worked at the Homelessness Research Institute, the research and education arm of the National Alliance to End

Homelessness. Prior to her graduate studies, Sham worked as a legislative assistant to Congresswoman Lucille Roybal-Allard (D-CA), where she advised the congresswoman on HUD appropriations and other housing issues. Sham has a B.A. in politics from the University of California, Santa Cruz.

Sharon McDonald

Sharon McDonald is Director for Families and Youth with a focus on policy and program strategies to address family homelessness. She joined the National Alliance to End Homelessness in 2001. Prior to joining the Alliance, Sharon was a direct practitioner in a Richmond, Virginia community-based service center for people who are homeless for nearly seven years. She has experience providing service-enhanced housing in a subsidized housing development for low-income families with children and in housing for people living with HIV/AIDS. Sharon served as a Social Work Congressional Fellow in Senator Paul D. Wellstone's office where she focused on welfare and housing issues. Sharon has been a Licensed Clinical Social Worker since 1991 and holds a Ph.D. in Social Work and Social Policy from Virginia Commonwealth University.

Todd Nedwick

Todd Nedwick is the Assistant Director for public policy at the National Housing Trust (NHT). He conducts nationwide research and analysis of successful affordable housing preservation policies and practices. He holds a B.A. in Political Science from American University and a M.P.P. from the University of Maryland, School of Public Policy.

Jordan Press

Jordan joined the Corporation for Supportive Housing (CSH) in October 2007. At CSH Jordan is responsible for representing CSH's policy goals on Capitol Hill and within the Administration, coordinating federal policy advocacy with CSH staff and its coalition partners, and reporting policy updates to CSH's staff. Jordan joined CSH after 5 years of serving as senior legislative assistant to U.S. Congressman Christopher Shays of Connecticut. While working for Mr. Shays, Jordan was an advisor on housing and financial services issues, and was also responsible for the Congressman's work on the Housing Subcommittee.

Melissa Quirk

Melissa Quirk is the Senior Policy Analyst for the National Low Income Housing Coalition. Ms. Quirk handles NLIHC's budget and appropriations work and supports the organization's policy work on the National Housing Trust Fund and balanced housing policy. Prior to joining NLIHC, Ms. Quirk was the Assistant Director of the Emergency Shelter Commission in Mayor's Office in the City of Boston, focusing on homelessness policy and planning. She also worked at Citizens' Housing and Planning Association, NLIHC's Massachusetts state partner, and for NLIHC organizational member TAG Associates, a consulting company providing technical assistance to public housing authorities throughout the country. Ms. Quirk holds a

B.A. in Urban Studies from Vassar College in New York and an M.A. in Urban and Environmental Policy and Planning from Tufts University in Massachusetts.

Jaimie Ross

Jaimie Ross is a public interest lawyer at 1000 Friends of Florida. During her tenure as Affordable Housing Director, Ms. Ross initiated the broad-based coalition that successfully advocated passage of the William E. Sadowski Affordable Housing Act, providing a dedicated revenue source for affordable housing in Florida. She authored *Creating Inclusive Communities in Florida: a Guidebook for Local Elected Officials and Staff on Avoiding and Overcoming the NIMBY Syndrome*. Ms. Ross served on the board of the National Low Income Housing Coalition from 1997-2003, she served as Editor of the NIMBY Report during that time and subsequently served on the National Low Income Housing Coalition NIMBY Report Advisory Committee. Nationally, she serves on the Board of the Innovative Housing Institute. She is a former Fannie Mae Fellow and is currently the President of the Florida Housing Coalition and founding director of the Florida Community Land Trust Institute.

Kathy Ruffing

Kathy Ruffing is a Senior Fellow at the Center on Budget and Policy Priorities, specializing in federal budget issues. Ruffing spent 25 years at the Congressional Budget Office, where she analyzed a wide range of topics including interest costs and federal debt, federal pay, immigration, and Social Security. Upon her departure, the Congressional Record praised her as a dedicated public servant who worked tirelessly to advance the legislative process and whose analyses displayed the best characteristics of CBO reports: impartiality, clarity, and comprehensiveness. Before joining CBO, Ruffing spent several years at the Department of Labor and the Social Security Administration. More recently, she helped launch a budget study at the National Academy of Sciences. Ruffing earned a B.A. in economics and political science at the University of Pittsburgh, and an M.A. in economics at The George Washington University.

Gina Schaak

Gina Schaak is an Associate in TAC's Housing Group and is TAC's policy liaison. She has over ten years experience helping non-profit housing and service agencies to navigate through local and federal regulations, in order to access resources for permanent supportive housing for the most vulnerable populations. Gina serves as TAC's national policy researcher and public liaison.

Amanda Sheldon Roberts

Amanda Sheldon Roberts serves as Housing Director on the Public Policy Team at Enterprise where she analyzes and explores new policies and programs to support the financing of affordable housing in diverse, thriving communities. Amanda is a policy subject expert on the HUD Neighborhood

Stabilization Program (NSP) and co-authored "The Challenge of Foreclosed Properties," a publication released in 2009 that analyzed the action plans of NSP grantees. Amanda has shared her NSP knowledge by briefing Congressional staff, giving the keynote address at a Kansas City Federal Reserve Bank conference, and presenting at over a dozen housing and community development conferences or webinars. Amanda has a Masters in Public Policy from Duke University, a degree she earned after returning from two years as a youth and community development volunteer in the Peace Corps. Amanda also holds a B.A. in International Relations and Women's Studies from Tulane University in New Orleans.

Josh Silver

Josh Silver has 20 years experience in the housing and community development field. As Vice President of Research and Policy, Mr. Silver develops the National Community Reinvestment Coalition's (NCRC) policy positions, produces various research studies, engages in proposal writing and fundraising, and supervises a staff of research and policy analysts. He has written NCRC testimony submitted to the Senate and House Banking Committees on topics including financial modernization, predatory lending, and the effectiveness of the Community Reinvestment Act (CRA). He has also written several comment letters to federal banking agencies on subjects ranging from the merger application process, the content and accuracy of home and small business data, and fair lending issues. Mr. Silver has testified before Congress, municipal and state legislative bodies and has represented NCRC on television and radio. Prior to NCRC, Mr. Silver worked at the Urban Institute for five years, where he specialized in housing market analysis and program evaluation. Mr. Silver holds a Master's degree in public affairs from the Lyndon Johnson School of Public Affairs at the University of Texas in Austin and earned a Bachelor's degree in economics from Columbia University in New York City. He lives in Bethesda, Maryland with his wife and daughter.

Lisa Sloane

Lisa Sloane is a Senior Associate at TAC. For over 20 years, Lisa has worked with federal, state and local governments as well as nonprofit agencies, to address the supportive housing needs of people with disabilities. She has also worked with the States of Pennsylvania and Louisiana to develop and implement Permanent Supportive Housing programs

Jorge Soto

Jorge Soto is a Public Policy Associate with the National Fair Housing Alliance. Jorge represents the interests of NFHA and its members before Congress and federal agencies and coordinates efforts with advocacy and industry groups on housing and civil rights. Prior to NFHA, Jorge was at Relman, Dane and Colfax where he worked as a civil rights paralegal on the development and litigation of several housing, lending, and public accommodations civil rights cases involving discrimination. He also worked as a social justice intern

organizer at Service Employees International Union (SEIU) in Houston, TX and as a community organizer for CRECEN/America Para Todos, also in Houston. Jorge is a graduate of Wesleyan University.

Leslie Strauss

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2012 ADVOCATES' GUIDE READER FEEDBACK FORM

1) Please indicate how you feel about the following statements.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The <i>Advocates' Guide</i> has helped me become a better advocate.					
The <i>Advocates' Guide</i> gives me information I can't find anywhere else.					
The <i>Advocates' Guide</i> is written in a way that is clear and easy for me to understand.					
The <i>Advocates' Guide</i> gives me good ideas of ways to advocate in my own community.					
I would recommend the <i>Advocates' Guide</i> to others.					

2) Please use this space to discuss any of your answers to the previous questions.

3) What would you like to see in the *Advocates' Guide* that is not currently included?

4) Would you like to be contacted about your responses? Please provide your name and contact information if you would like to tell us more about your experience with the *Advocates' Guide*.

Return completed forms by mail to:
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