NLIHC 2013 CONFERENCE
Rep. Keith Ellison to Speak at United for Action

NLIHC is pleased to announce that Representative Keith Ellison (D-MN) will speak during the Monday, March 18 lunch session at United for Action, the NLIHC 2013 Housing Policy Conference and Lobby Day.

Mr. Ellison is the sponsor of legislation introduced in the 112th Congress (H.R. 6677) that would make changes to the mortgage interest deduction and direct some of the savings to the National Housing Trust Fund. He addressed NLIHC housing policy conference attendees in 2011, when he announced his intention to introduce the bill to fund the National Housing Trust Fund through modification of the mortgage interest deduction. Mr. Ellison returns to NLIHC’s conference to discuss his plans for the bill in the 113th Congress and what housing advocates can do to speed its passage.

This year’s event will take place Sunday, March 17 through Wednesday, March 20 at the Omni Shoreham Hotel in Washington, D.C. Special rates are available for NLIHC members and low income attendees. The schedule of workshops is available at http://bit.ly/VC4k5E.

To register, go to www.nlihc.org/conference. The site includes detailed information that can help you plan your participation. Or, to download a registration form, go to http://bit.ly/WrHPhK (PDF). NLIHC members receive additional discounts on conference registration.

NATIONAL HOUSING TRUST FUND
Value of Mortgage Interest Deduction Declines According to JCT

The Joint Committee on Taxation (JCT) of the U.S. Congress released its report entitled Estimates of Federal Tax Expenditures for Fiscal Years 2012-2017 on February 1. This annual report shows the number and costs of federal tax expenditures, including the mortgage interest deduction, estimating their cost to federal government each year and for the total period studied. According to the report, “special income tax provisions are referred to as tax expenditures because they may be analogous to direct outlay programs and may be considered alternative means of accomplishing similar budget policy objectives. Tax expenditures are similar to direct spending programs that function as entitlements to those who meet the established statutory criteria.”

The cost of the mortgage interest deduction (MID) is estimated to be $69.7 billion for FY13 and $379 billion for the period of 2013-2017. The cost of the MID is down from the $89.6 billion that JCT projected for FY13 in its 2012 report. Reductions in the size and number of mortgages may account for the change.

The JCT estimates of tax expenditures generally differ from those of the U.S. Department of Treasury due to differences in methodology. The last Treasury estimate of the cost of the MID for FY13 was $100.9 billion and was included in the President’s FY13 budget proposal, released in February 2012. The delay until March of the President’s FY14 budget proposal (see article on the federal budget below) means the new Treasury estimates will not be out until then.

The JCT report includes a number of tables that provide details about the income of taxpayers who receive the benefits of tax expenditures. There were 155,879,000 returns in 2011. (Returns include both filing and non-filing tax units. Non-filing units are individuals whose income is exempt from federal income tax.) Four percent of the returns had incomes over $200,000 and 19% had incomes over $100,000.

Just 22% of returns, or 34,103,000, claimed the MID. The top 4% in income ($200,000 and above) received 35% of the MID benefit. The top 23% in income ($100,000 and above) received 77% of the benefit.

NLIHC proposes modifications to the MID that will make it fairer and provide tax benefits to a greater number of mortgage borrowers with incomes under $100,000, who make up the bottom 77% in income. Capping the MID at $500,000 and converting the deduction to a tax credit would greatly expand the number of homeowners with incomes under $100,000 a year who get a tax break and would save the federal government money that could be directed into the National Housing Trust Fund.


To read more about the NLIHC proposal, go to http://bit.ly/RycmfL.
Endorsements of Housing Tax Reform Proposal Exceed 800

The number of endorsing organizations of NLIHC’s proposal for funding the National Housing Trust Fund by modifying the mortgage interest deduction reached 800 on January 31 and now stands at 807.

Organizations that want to join the campaign can do so at http://bit.ly/R4CZWo.

FEDERAL BUDGET

Senate Attempts to Postpone Sequestration; NLIHC Urges Advocates to Sign Letter in Opposition

The U.S. Senate passed H.R. 325, the “No Budget, No Pay Act of 2013,” on January 31, without amending the bill as passed by the House on January 23. The vote was 64 to 34, with Senator Joe Manchin (D-WV) the only Democrat to vote against it. The bill has been sent to President Barack Obama for his signature.

H.R. 325 temporarily suspends the debt limit through May 18 and increases it by the amount of debt incurred during that three-and-a-half month period on May 19, thus giving Congress an additional three months to negotiate a second increase to the debt limit in 2013 (see Memo, 1/25).

Under H.R. 325, Congress is required to pass a concurrent budget resolution by April 15. If Congress has not passed such a resolution by this date, the Committees on Appropriations are free to craft appropriations bills. Further, if Congress fails to pass a concurrent resolution by that date, the salaries of Members of Congress would be escrowed until such a resolution was passed.

With the decision on increasing the debt limit postponed now until mid-May, sequestration is the next fiscal crisis facing Congress and the Administration. Some Republicans have taken the position that sequestration would take effect on March 1 unless Democrats agree to replace it with other spending cuts. Many Democrats want to replace it with a combination of cuts and revenue increases. Other Republicans are still in agreement with Democrats that the sequester should not take effect and that a replacement should instead be negotiated. Senate Majority Leader Harry Reid (D-NV) announced plans to advance legislation that would postpone the sequester from its scheduled start date of March 1. A group of Senators led by Senator Tom Harkin (D-IA) met in the last week of January to craft alternatives to the sequester.

However, the conventional wisdom is that Congress will allow the sequester to take effect on March 1 by not acting to prevent it. Democratic Senators have stated that they believe the Administration has the flexibility to shift funding for several weeks if a solution to the sequester is not agreed to until later in March.

Sequestration would cause cuts of around 5% to HUD and USDA in 2013 (see Memo, 1/25).

The Senate Committee on Appropriations will hold a hearing on the impact of sequestration on February 14.

The Non-Defense Discretionary (NDD) Funding Coalition is circulating a sign-on letter urging Congress to avert the sequester and take an “approach to deficit reduction that does not include further cuts to discretionary programs.” In July, the NDD coalition sent a similar letter to Members, signed by 3,000 organizations. NLIHC urges all national, state, and local organizations that did not sign the letter in July to sign now to demonstrate support for the protection of HUD and USDA Rural Housing programs. Late signers and opt-outs will be accepted in the first part of the week of February 4.

The Coalition on Human Needs, NETWORK- A National Catholic Social Justice Lobby, USAaction, and the Pentagon Budget Campaign are also circulating a letter calling on Congress to cut Pentagon spending in order to shift funds to support non-defense discretionary spending programs. The organizations write, “If we invest some of the billions we spend on the Pentagon in other sectors of our economy, we would actually generate MORE jobs, strengthening the middle class and protecting essential services that help our families.” To join NLIHC in signing onto this letter, email Ross Wallen at rwallen@usaction.org.

NLIHC also joined a letter to President Barack Obama initiated by the Leadership Conference on Civil and Human Rights (LCCHR) and dated January 28, urging him to protect safety net programs in fiscal policy debate. “As Congress moves toward a debate over the federal debt limit, our organizations urge you to insist on policies that create jobs; oppose benefit cuts for Social Security, Medicare, and Medicaid; protect our nation’s safety net; and ensure adequate revenues to preserve the basic functions of government,” write the 96 organizational signers to the letter.

Soon after the deadline for the Administration to implement sequestration, Congress will have to address FY13 appropriations. The continuing resolution currently funding the government at FY12 levels expires on March 27. Congress may attempt to use this deadline to address a solution to the sequester.

The Congressional Budget Office (CBO) will release its Budget and Economic Outlook report on February 5 and the House Committee on the Budget is expected to hold a hearing on the report in the coming weeks.

Senator Patty Murray (D-WA), chair of the Senate Committee on the Budget, followed the launch of her FY14 “pro-growth” budget work the week of January 21 by unveiling an online forum for the public
to share its priorities for the federal budget (see Memo, 1/25). The Chair is seeking stories, priorities and ideas through this section of the Budget Committee website, called MyBudget.

The Administration took a step forward with the FY14 budget process when the Office of Management and Budget (OMB) sent the “passback” to agencies. After federal departments submit the first drafts of their budgets to OMB, the department evaluates them and then returns, or passes them back, to agencies for further development before the department budgets are finalized and compiled as the President’s budget request to Congress. The President’s proposed budget usually goes to Congress in the first week of February, but will be delayed this year due to the uncertainty caused by the sequester and the incomplete FY13 appropriations. The President’s budget request to Congress is not expected until March.

Anticipating the FY14 budget, the Preservation Working Group (PWG), facilitated by the National Housing Trust, sent a letter on January 28 to Department of Agriculture Secretary Tom Vilsack and Jeffrey Zients of the Office of Management and Budget urging them to “provide Rural Development’s multifamily rental housing programs adequate funding” in FY14. NLIHC joined 72 other local and national organizations in signing the letter.


View Senator Murray’s budget website at http://1.usa.gov/YsvLzQ.


MORE CONGRESS

VAWA Reauthorization Introduced in House and Senate

Legislation to reauthorize the Violence Against Women Act (VAWA) was introduced in both the House and the Senate on January 22. Representative Gwen Moore (D-WI) introduced H.R. 11 and the Senate bill, S. 47, was introduced by Senator Patrick Leahy (D-VT).

The Senate passed legislation to reauthorize VAWA in the 112th Congress (see Memo, 4/27/12). Instead of taking up the Senate bill, the House considered its own version of the legislation. The House bill omitted key provisions of the Senate bill related to:

- The ability for tribal authorities to prosecute domestic violence cases that occur on tribal land.
- Assurances that lesbian, gay, bisexual and transgendered victims of domestic violence are covered by VAWA protections.
- Protections for immigrant victims of domestic violence. (See Memo, 5/18/12).

The Senate refused to approve legislation without these expanded protections; thus VAWA reauthorization ultimately failed in the 112th Congress.

The legislation in both the House and Senate includes improvements to housing protections for victims of domestic violence, dating violence, sexual assault, and stalking. These provisions were not controversial in the last Congress and the new legislation in the 113th Congress again includes them. The new Senate legislation omits one controversial provision, an expansion of U visas for immigrant victims of abuse. Key housing provisions in the bill include:

- Making it illegal to evict a victim from federally subsidized housing for reasons related to domestic violence, dating violence, sexual assault, or stalking. The bill expands the list of federal housing programs covered under VAWA.
- Allowing for the bifurcation of leases for tenants of programs covered under VAWA, if they are seeking the lease bifurcation for reasons related to domestic violence, dating violence, sexual assault, or stalking.
- Requiring HUD to establish policies and procedures for emergency transfers for victims living in HUD-assisted housing, in which depending on availability, victims would be eligible for tenant protection vouchers.

Senate Majority Leader Harry Reid (D-NV) has indicated that the VAWA reauthorization will be a top agenda item early in the 113th Congress.

The full text of H.R. 11 is available at http://1.usa.gov/YJcxcX.

The full text of S. 47 is available at http://1.usa.gov/YJczS0.

Veteran Housing Bills Introduced in the House

Representative Al Green (D-TX) introduced a package of bills to address the housing needs of veterans on January 23.

H.R. 384, the Homes for Heroes Act of 2013, would establish the position of Special Assistant for Veterans Affairs at HUD. The language would also mandate the annual submission of the Supplemental Veterans Annual Homeless Assessment Report (AHAR). While the current Administration has submitted a Veterans AHAR annually, the report is not explicitly mandated by law (see Memo, 3/30/12). The measure has been referred to the House Committee on Financial Services and has 16 cosponsors as of this writing. The measure was also introduced in the 112th Congress, and passed the House by a vote of 415 to 5. However, the Senate never acted on it and thus it died at the end of the last Congress.
H.R. 385, the Housing Assistance for Veterans (HAVEN) Act of 2013, would create a pilot program to authorize the HUD Secretary to make grants to nonprofit organizations to rehabilitate and modify homes of low income veterans and veterans with disabilities. The measure has been referred to the House Committee on Financial Services and has three cosponsors as of this writing. The HAVEN Act was also introduced in the 112th Congress. The measure passed the House as part of broader legislation to address the housing needs of veterans on September 20, 2012, but failed to advance in the Senate before the end of the 112th Congress (see Memo, 9/28/12).

H.R. 386 would authorize the HUD Secretary to provide assistance to nonprofits and consumer cooperatives to expand the supply of supportive housing for very low income veteran households. The assistance authorized under the bill could be awarded as planning grants, capital advance funds, project-based rental assistance, or tenant-based rental assistance. The measure would exclude veterans’ benefits from income for purposes of rent determination for HUD-assisted housing. This bill also would create the position of Special Assistant for Veterans Affairs at HUD and mandate the annual submission of the Veterans AHAR. The measure was also introduced in the 112th Congress but did not advance out of Committee. H.R. 386 has 18 cosponsors as of this writing and has been referred to the House Committee on Financial Services and the House Committee on Ways and Means.

The full text of H.R. 384, H.R. 385 and H.R. 386 will be available on THOMAS shortly.

**Surplus Property Bill Reintroduced in the House**

Representative Jason Chaffetz (R-UT) reintroduced the Excess Federal Building and Property Disposal Act. The bill, H.R. 328, was introduced on January 22 and has been referred to the House Committee on Oversight and Government Reform. Representative Mike Quigley (D-III) is an original cosponsor.

The Excess Federal Building and Property Disposal Act was one of several bills introduced in the 112th Congress to change the process by which surplus federal properties can be sold. The measure passed the House of Representatives in the 112th Congress but did not advance in the Senate (see Memo, 3/23/12).

Advocates are watching these measures carefully as Title V of the McKinney-Vento Homeless Assistance Act gives homeless service providers a first right of refusal to these properties before they are made available for sale.

H.R. 328 would streamline the property disposition process by creating a five-year pilot program to expedite the disposal of the highest-value vacant properties. Under the bill, Title V would continue to apply to all but these select high-value properties.

The bill would also authorize HUD to award grants to eligible nonprofit organizations to purchase properties to be used to assist people experiencing homelessness. Grants could be used to acquire or rehabilitate property for permanent housing, transitional housing, or temporary shelter. The HUD Secretary is directed to give preference to nonprofits operating in areas where federal properties have been sold under the pilot program authorized by the bill.

Mr. Chaffetz’s bill is generally the most protective of the interests of homeless providers of proposals that were pending in the last Congress. However, many advocates would prefer that Title V remain fully intact in any reform proposal.

The full text of H.R. 328 is available at http://1.usa.gov/YJal5d.

**Upcoming Hearings on FHA**

The House Committee on Financial Services scheduled two hearings on the Federal Housing Administration’s financial situation.

The first hearing, “FHA Financial Condition and its Role in the Housing Market,” will be on February 6 at 9am ET. The second, “FHA November 2012 Actuarial Report and Potential for Tax Payer Bailout,” will be on February 13 at 10am ET.

FHA Commissioner Carol Galante is expected to testify at the second hearing. Both hearings will be in room 2128 of the Rayburn House office building.

**Disaster Housing**

Super Storm Sandy Supplemental Appropriation Signed Into Law

The Senate approved the Super Storm Sandy supplemental appropriations bill by a vote of 62 to 36 on January 28. The $50.5 billion measure passed the House on January 15 by a vote of 241 to 180 (see Memo, 1/18). The measure (P.L. 113-2) was signed into law by President Obama on January 29.

Included in the emergency supplemental is $16 billion in disaster Community Development Block Grant (d-CDBG) funding. This amount comes close to the $17 billion requested by the Administration in its emergency aid request (see Memo, 12/7/12). While most of the d-CDBG funds are expected to go to areas impacted by Super Storm Sandy, the language allows for the funds to be used by any jurisdiction nationwide that experienced a presidentially declared disaster in 2011, 2012, or 2013. Funding must be allocated by the HUD Secretary within 60 days of enactment.

The d-CDBG funds can be used for housing, infrastructure, and small business needs. Advocates are working to ensure that the...
funds are used to fully address the housing needs of extremely low and very low income households. NLIHC co-signed a letter to HUD Secretary Shaun Donovan urging that the d-CDBG funds "facilitate the revitalization and development of affordable housing in compliance with civil rights laws as an integral part of recovery in all communities." The letter asks HUD to focus on four basic goals in its forthcoming notice for disaster aid grant application plans, as provided for under the Super Storm Sandy supplemental appropriations bill:

• Public participation and transparency.
• Affirmative furthering of fair housing.
• Meeting all the housing needs created by Super Storm Sandy.
• Fair treatment of low income people.

With respect to these goals, the signatories ask that HUD "(a) set out clear standards in the Notice; (b) require certifications of adherence to these requirements in plan submission (as was the case in prior notices, 74 FR 7254); and (c) include plan performance requirements mandating Plans affirmatively address the substance of each required certification that HUD will carefully review."

While the HUD Secretary is required to issue the notice within 45 days of enactment of the law, it is expected that the notice will be issued as soon as the week of February 4.


HUD
HUD Requests Comments on Redesigning the American Housing Survey

HUD is soliciting public comments on the redesign of the American Housing Survey (AHS) for 2015, according to a notice posted in the Federal Register on February 1. HUD is specifically interested in comments that address any concerns about redesigning the AHS sample, thoughts on content that should be either added to or removed from the survey, and ideas on expanding the dissemination of the AHS data.

The AHS provides data on the size, composition, quality, and occupants of the country’s housing inventory. The data are used to study housing conditions, changes in housing stock over time, and the supply and demand for housing. The data allow HUD and others to effectively evaluate housing programs and advise Congress on housing conditions and needs.

The current AHS sample was drawn in 1985, and HUD has collected data on this sample every two years since then. The 2013 AHS will be the final survey administered to this sample. HUD will draw a new sample in 2015, providing this opportunity to gather feedback on the redesign.

HUD included a number of questions to consider when submitting public comments, including:

1. What is the appropriate sample size for generating national estimates, taking into consideration the necessary level of precision required by AHS users?
2. What housing unit subgroups should HUD consider oversampling? For instance, in prior years, HUD has oversampled HUD-assisted housing, assisted housing for the elderly, and manufactured housing.
3. What questions in the AHS are duplicative with other surveys and should be under consideration for removal from the survey?
4. Are the national and metropolitan area summary tables useful to AHS data users?

Comments are due to HUD by April 2. Detailed instructions on how to submit comments are available in the Federal Register notice, which is available at http://1.usa.gov/YOFpk2.

FROM THE FIELD
West Virginia State Partner Leads Program to Address Chronic Homelessness

The West Virginia Coalition to End Homelessness (WVCEH), which NLIHC welcomed as a state coalition partner in October 2012, has teamed with homeless service providers in that state to advance West Virginia’s Social Security Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) Outreach, Access and Recovery program. Widely known as SOAR, the program helps to expedite the SSI/SSDI application process for people with disabilities. It has effectively provided income support to program recipients and helped them maintain or gain access to housing. WVCEH hopes that newly dedicated staff resources and comprehensive training will strengthen the program’s success.

In the fall of 2012, WVCEH received approval from the Substance Abuse and Mental Health Services Administration (SAMHSA) to lead the program, which the state’s Office of Economic Opportunity previously managed. WVCEH believes this new arrangement will better position it to lead efforts to end homelessness in West Virginia, especially given that it also leads the Homeless Management Information System and Balance of State Continuum of Care programs. WVCEH has increased its staff during the past
two years in a concerted effort to meet these leadership roles and tackle the state’s homeless and affordable housing issues.

Through SOAR, WVCEH provides trainings for homeless and housing provider caseworkers to assist persons with disabilities in gathering evidence to support their SSI/SSDI application, and provides step-by-step guidance to complete the application. The trainings also enable caseworkers to act as applicants’ personal representatives, giving them the ability to communicate with the Social Security Administration on clients’ behalf. The training is essential given that only 10-15% of homeless adults’ SSI/SSDI applications and 31% of all applications are approved the first time. The approval rate of SOAR-assisted applications nationwide is 71%.

WVCEH plans to incorporate components to their trainings that encourage caseworkers to actively engage applicants in searching for housing that fits their needs. Advocates believe that the connection caseworkers already have to low income and supportive housing programs, mainly though their own organizations, will allow providers to link applicants to housing with ease.

Advocates are piloting the program in the cities of Morgantown and Parkersburg and outlying areas; they hope to expand statewide. WVCEH plans to track its progress with SOAR and use the data to inform the organization’s initiatives.

“SOAR is not just a model that can be utilized with people who are homeless and have a disabling condition; it can be a model that providers use with individuals who are low income and at risk of homelessness,” said Lindsay Knotts, project specialist for WVCEH. “The idea is that advocates can prevent individuals and families from experiencing homelessness in the first place if we link them to benefits that will provide housing, as well.”

For more information, contact Lindsay Knotts of WVCEH at lindsayknotts@wvceh.org.

RESOURCES
Policy Issue Fact Sheets Updated for February

NLIHC has updated our policy fact sheets for February 2013. These fact sheets summarize issues like the National Housing Trust fund, housing tax reform, vouchers, public and assisted housing preservation, budget and appropriations, protecting tenants at foreclosure, housing plus services, low income housing tax credits and other issues.

To access the Policy Issues page and to view our policy agenda, go to http://bit.ly/UH7hU.


Nearly Half of American Households Lack Savings and Financial Security

The 2013 Assets and Opportunity Scorecard from the Corporation for Enterprise Development (CFED) reveals that 44% of households in the United States are "liquid asset poor." Liquid asset poor families do not have enough fiscal savings to cover basic expenses for three months of crisis, such as sudden unemployment or a medical emergency. CFED also finds that one in three families do not have a savings account. The authors encourage investment in policies and programs that address financial insecurity through asset building and savings.

The report gauges financial security in all 50 states and Washington, D.C. across five categories: financial assets and income, business and jobs, housing and homeownership, healthcare, and education. While many of those struggling financially live below the official income poverty line ($23,050), one quarter of middle class households earning $55,465 to $90,000 do not have enough savings to keep them above the poverty line for three months. Overall, the report does not cover how households are spending their income, but notes that 26% of households are considered “net worth asset poor” meaning their debts overwhelm what assets they do have. More than half (56%) of consumers do not qualify for credit at prime rates and the average borrower carries $10,736 in credit card debt. Net worth has declined by more than $27,000 since its peak in 2006, to $68,948 in 2010. Additionally, the homeownership rate has declined from 67.3% in 2006, to 64.6% in 2011.

According to the report, the burdens of financial insecurity disproportionately affect households of color. The authors find that, although 58.3% of all liquid asset poor households are white, of the nation’s total households of color, two-thirds (62.6%) are labeled as liquid asset poor. Overall, white households have a higher homeownership rate (72%) than minority households (46.2%), and have 10 times the median net worth of households of color ($110,973 and $10,824, respectively). Across all five issue areas, states in the southeast and southwest fare the worst.

The scorecard assesses states on the strength of 12 policies aimed at helping families build and protect their assets. Examples of these policies include: lifting asset limits for public benefit programs, offering tax credits to working families, increasing job quality standards and minimum wages, and preventing and protecting against foreclosure. States have adopted many of these policies to varying degrees. Though New York has the strongest policies to protect financially insecure households, the report concludes that even states with the strongest policies still have a long way to go to effectively assist liquid asset poor households.

HUD's Fair Housing Efforts During Obama's First Term Assessed

The Poverty & Race Research Action Council (PRRAC) issued a review of HUD's affirmatively furthering fair housing (AFFH) obligation to promote fair housing choice during the first term of the Obama Administration. *Affirmatively Furthering Fair Housing at HUD: A First Term Report Card* gives the Administration an incomplete. The report card looks at nine program areas at HUD, plus the Low Income Housing Tax Credit (LIHTC) program, which is administered by the Treasury Department. The report opens noting that, "While fair housing enforcement at the agency has increased noticeably, the task of reforming HUD's own programs has been painstakingly slow. A flurry of positive activity inside the agency during the first term has not yet been reflected in final program regulations or guidance, even though some of this work has been underway for years."

Regarding affirmatively furthering fair housing regulation, there is disappointment that despite a thorough public engagement process, HUD did not publish a proposed AFFH rule. PRRAC writes it is crucial that an AFFH proposed rule be issued soon in order to have a final rule early in the second term so that at least one round of local fair housing plans can be submitted and reviewed by HUD while the current Administration is still in office.

HUD has hinted that the AFFH rule will mirror the Fair Housing Equity Assessment (FHEA) process set out in the Sustainable Communities Initiative. While PRRAC is encouraged by this, it is concerned that FHEA is too focused on data and planning, and will not have robust enforcement mechanisms necessary to force AFFH compliance by recalcitrant jurisdictions. The report offers features an effective AFFH rule should have.

The authors are also disappointed that changes to the Section Eight Management Assessment Program (SEMAP) regulations were not proposed. The current system gives public housing agencies little or no credit or incentive to help households move to less racially isolated areas, and their evaluations do not suffer if they have highly segregated voucher programs.

Turning to the LIHTC, PRRAC urges HUD to press the Treasury Department to issue AFFH regulations for the LIHTC program. Treasury rules should ensure that LIHTC-assisted residents and applicants have, at a minimum, the same protections that HUD-assisted residents and applicants have, particularly regarding site selection, affirmative marketing, tenant selection, design and accessibility standards. Because current Treasury standards fail to incorporate fair housing considerations, the report suggests that Treasury develop standards requiring that a significant portion of any LIHTC basis boosts awarded by housing finance agencies be for properties in high-opportunity or revitalizing neighborhoods. For instance, a 30% basis boost is possible in a Qualified Census Tract, a tract that has a poverty rate of at least 25%, a big financial incentive to develop LIHTC units in low-opportunity neighborhoods.

Correcting some of the problems with the HOPE VI program, the Administration’s Choice Neighborhood Initiative (CNI) program requires one-for-one replacement of units demolished or sold. However, PRRAC is concerned that the first five implementation sites will not build the required replacement housing outside of the neighborhood being improved with the CNI grant. The authors are also concerned about the program’s heavy emphasis on facilitating residents’ ability to return to the federally revitalized neighborhood. Requiring some level of mobility counseling for all interested CNI residents and providing incentives for providing services for those who choose to relocate is recommended.

The authors express disappointment that HUD’s annual budget requests have not sought general housing mobility counseling funds, even though such programs return substantial benefits for families at relatively little cost. PRRAC also urges HUD and Treasury to develop methods to enforce the federal law prohibiting HOME and LIHTC owners from refusing to rent to voucher holders.

Other program areas addressed in the report card include: Small Area FMRs, voucher portability, the Sustainable Communities Initiative, the Rental Assistance Demonstration (RAD), the Moving to Work Demonstration, HUD’s Strategic Plan, and the new focus on fair housing in HUD’s competitive grants.

*Affirmatively Furthering Fair Housing at HUD: A First Term Report Card* is available at http://bit.ly/VuQ61E.
FACT OF THE WEEK
A Profile of the Liquid Asset Poor

U.S. Population: 44% of all households
Employment: 88% are employed
Earnings: 83% earn less than $55K a year
Education: 49% have at least some college education
Family Composition: 42% are unmarried women
Race: 58% are white

*62.6% of total households of color in the United States are considered liquid asset poor.


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ABOUT NLIHC
The National Low Income Housing Coalition is dedicated solely to achieving equitable federal policy that assures affordable, accessible, and healthy homes for the people with the lowest incomes in the United States.

Established in 1974 by Cushing N. Dolbeare, NLIHC educates, organizes, and advocates to ensure decent, affordable housing within healthy neighborhoods for everyone.

TELL YOUR FRIENDS!
NLIHC membership is the best way to stay informed about affordable housing issues, keep in touch with advocates around the country, and support NLIHC’s work.

NLIHC membership information is available at www.nlihc.org/join. You can also e-mail us at outreach@nlihc.org or call 202-662-1530 to request membership materials to distribute at meetings and conferences.

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