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

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Budget and Appropriations

House to Vote This Week on Proposal to Impose Deep Cuts on Domestic Spending– Take Action Today!

The U.S. House of Representatives' Speaker Kevin McCarthy (R-CA) plans to hold a vote as soon as Wednesday, April 26, on a harmful proposal to lift the federal debt limit in exchange for dramatic cuts to domestic spending, including funding for HUD's and USDA's vital affordable housing and homelessness programs.

Unveiled April 19 but not yet formally introduced in the House, the "Limit, Save, and Grow Act," as the Republican proposal is named, would cut federal domestic spending for fiscal year (FY) 2024 to FY22 levels and exempt defense and veterans spending from the cuts, resulting in at least a 23% reduction in funding for key programs. The proposal would also limit future spending increases to just 1% annually for 10 years, rescind unspent COVID-19 relief funds, and put in place rigid and ineffective work requirements for some anti-poverty programs. In exchange for these drastic cuts, the bill would raise the federal debt ceiling until March 31, 2024, or by $1.5 trillion, whichever comes first, putting Congress in the position to restart debt ceiling negotiations all over again next year.

If enacted, the proposal could make it impossible for HUD to stave off mass evictions, according to a letter from HUD Secretary Marcia L. Fudge to Representative Rosa DeLauro (D-CT), who is Ranking Member of the U.S. House of Representatives' Committee on Appropriations. The Secretary highlighted the fact that drastic cuts to HUD's programs could cause nearly 1 million households currently being served by the department's rental assistance programs to lose their housing assistance, putting them at risk of housing instability and evictions, and nearly 120,000 fewer people experiencing homelessness to receive services.

Without adequate funding for vital federal affordable housing and homelessness programs, millions of the lowest-income and most marginalized households would continue experiencing homelessness or remain at risk, paying more than half of their limited incomes on rent. Analysis from the Center on Budget and Policy Priorities notes that cutting spending to FY22 levels would result in a cut to non-defense discretionary programs of around $133 billion.

Capping future spending at 1% per year would likewise have a tremendous negative impact on the people served by affordable housing and homelessness programs. These programs must receive inflationary cost increases each year just to maintain the number of households being served. Even with recent funding increases to federal programs, many are still being impacted by the austere spending caps put in place by the "Budget Control Act of 2011." In fact, HUD's cumulative appropriations since FY10 are still slightly lower than if annual appropriations had remained at FY10 levels and been adjusted only for inflation.

It is currently unclear whether Speaker McCarthy will be able to gather the 218 votes needed for the bill to pass the House. Working under a narrow majority and with Democrats unified in opposition to the measure, the Speaker can only afford to lose four Republican votes if the bill is to pass. Some members of Speaker McCarthy's own party have voiced reservations about the proposal, with moderates raising concerns over the repeal of green energy tax credits that would help their districts, and far-right conservatives pushing for even more stringent work requirements to be imposed on benefit programs like food assistance and Medicaid.

Take Action!

It is crucial that advocates weigh-in with their members of Congress and tell them that it is unacceptable to balance the federal budget by demanding cuts to programs that help the lowest-income households survive. There is a national shortage of approximately 7.3 million affordable, available homes for people with the lowest incomes, and only one in four households who qualify for federal housing assistance receives the help it needs. Without adequate funding for vital federal affordable housing and homeless assistance programs, households with the lowest incomes will continue to live precariously, only one missed paycheck or unexpected emergency away from housing instability, eviction, and, in the worst cases, homelessness.

In addition to scheduling in-district meetings with their members of Congress, advocates can continue to take action:

- Sign your organization on to the Campaign for Housing and Community Development Funding's (CHCDF) annual budget letter, calling on Congress to reject spending cuts and instead provide the highest possible allocation for HUD's and USDA's affordable housing, homelessness, and community development programs in FY24.
- Email your members of Congress today and urge them to increase – not cut – resources for affordable housing and homelessness in FY24 and to support NLIHC's top appropriations priorities:
    - $32.7 billion for the TBRA program to renew existing vouchers and to expand the program to an additional 200,000 households.
    - $5.4 billion for public housing operations and $5 billion for public housing repairs.
    - $3.8 billion for HUD's Homeless Assistance Grants program.
    - $100 million for legal assistance to prevent evictions.
    - $3 billion for a permanent Emergency Rental Assistance program.
    - $300 million for the competitive tribal housing grants, targeted to tribes with the greatest needs.
- Check out NLIHC's advocacy toolkit, "Oppose Dramatic Cuts to Federal Investments in Affordable Housing," for talking points, sample social media messages, and more!

Start Planning Now! "Spring into Action" from May 8 to 19

"Spring into Action" with NLIHC during a two-week mobilization effort between May 8 and May 19 to oppose deep budget cuts and urge Congress to invest in affordable housing and homelessness programs at the scale needed!

Be creative! Make a visual art piece, write a haiku or other short poem, record a video, or highlight data showing the impact of proposed cuts to educate congressional leaders about why affordable housing and homelessness programs are important to your community and how the proposed budget cuts would harm your family and neighbors.

Post your work on social media using the hashtag #CutsHurt and #SpringIntoAction between May 8 and May 19, and be sure to tag your member of Congress and @NLIHC!

NLIHC also has other resources you can use to start planning:

- Use NLIHC's Legislative Action Center to host an email campaign to send a message to members of Congress. The tool allows advocates to customize the email template with a poem or other creative written message.
- Facing writer's block? Use the prompts in NLIHC's storytelling resource, "Storytelling Tips and Tricks," to find a topic for your creative piece.
- If you have a multimedia piece you would like to share with your congressional office but cannot submit via the online form, please send it to outreach@nlihc.org.

HoUSed Campaign for Universal, Stable, Affordable Homes

NLIHC President and CEO Diane Yentel to Testify before Senate Banking Committee on Bipartisan Legislation to Address the Affordable Housing Crisis

NLIHC President and CEO Diane Yentel will testify before the U.S. Senate Committee on Banking, Housing, and Urban Affairs at a hearing, "Building Consensus to Address Housing Challenges," on Wednesday, April 26, at 10 am ET. Learn more about the hearing and watch the livestream at: https://bit.ly/43VhORW

Diane's testimony will highlight important bipartisan legislation championed by NLIHC's Opportunity Starts at Home and HoUSed campaigns. The Opportunity Starts at Home (OSAH) campaign is a long-term, multi-sector campaign aimed at bringing together advocates from across sectors to push for federal resources to meet the affordable housing needs of people with the lowest incomes. The HoUSed campaign focuses on advancing long-term solutions to the housing crisis and achieving housing justice. Diane will testify about the importance of two bipartisan pieces of legislation that are foundational to achieving the OSAH and HoUSed campaigns goals: the "Eviction Crisis Act" and the "Family Stability and Opportunity Vouchers Act." If enacted, these two bills would provide essential housing support to low-income families nationwide.

The Eviction Crisis Act was introduced in the 117th Congress by Senators Michael Bennet (D-CO) and Rob Portman (R-OH). If passed, the bill would increase housing stability among the nation's lowest-income households by creating a new national Emergency Assistance Fund (EAF), a permanent program to stabilize households experiencing an economic shock before it can lead to housing instability and homelessness, which often require more prolonged, extensive, and expensive housing assistance. In addition to the EAF, the Eviction Crisis Act would authorize grants to support landlord-tenant community courts, which offer mediation services to avoid the high cost of eviction and create a national database to track formal and informal evictions, helping researchers and policymakers better understand the breadth of the eviction crisis and craft solutions.

Senators Chris Van Hollen (D-MD) and Todd Young (R-IN) will soon re-introduce the Family Stability and Opportunity Vouchers Act (FSOVA) in the 117th Congress to assist 250,000 families with young children in moving to affordable housing in neighborhoods of their choice. Researchers have found that children's chances for future success are highly context-dependent, an effect that can accumulate over time. Under the FSOVA, voucher recipients would receive a customized approach to essential mobility services such as case management and counseling to utilize their vouchers in neighborhoods of their choosing, including neighborhoods with access to resources like higher performing schools, reliable public transit, and well-paying jobs.

The full list of hearing witnesses will include:

- Diane Yentel, president and CEO of NLIHC
- Lou Tisler, executive director of the National Neighborhood Watch Association
- Vanessa Brown Calder, director of opportunity and family policy studies at the Cato Institute

Learn more about the hearing and watch the live stream at: https://bit.ly/43VhORW

Join Today's (4/24) National HoUSed Campaign Call for Universal, Stable, Affordable Homes!

Join today's (April 24) national HoUSed campaign call from 2:30 to 4 pm ET. We will hear the latest news from Capitol Hill, including the details of U.S. House of Representatives Speaker Kevin McCarthy's (D-CA) potentially disastrous debt ceiling proposal. Kayla Gilchrist of Community Change will join the call to discuss her organization's Grassroots Housing Justice Tour, and John Bae of the Vera Institute of Justice will provide an overview of a new report on state HFA screening policies for people with conviction histories. We will also receive updates from the field, and more! Register for today's call here.

Tenant Protections

NLIHC Releases Toolkit on Eviction Record Sealing and Expungement Protections

NLIHC released an "Eviction Record Sealing and Expungement Toolkit" on April 20. The result of a collaborative effort by members of NLIHC's 2022-2023 End Rental Arrears to Stop Evictions (ERASE) Project Cohort, the new resource provides information about eviction record sealing and expungement protections nationwide, surveying record sealing and expungement legislation that is currently in place, identifying the core components of existing protections, and making recommendations for lawmakers developing new eviction record sealing and expungement protections in their jurisdictions.

Though varying according to state and local contexts, eviction record sealing and expungement protections are generally enacted to ensure that eviction filings do not impact the ability of tenants to secure stable housing. The new toolkit brings together a wide range of information about the status and impact of evictions in the U.S. and existing eviction record sealing and expungement policies, as well as answers to frequently asked questions.

As the toolkit shows, eviction filings can result in lasting and sometimes permanent consequences for individuals, especially for members of low-income and marginalized renter groups. Even in cases where an eviction judgement does not result in displacement for a tenant, the mere presence of an eviction on a tenant's public record, especially as it appears in their credit history, can prevent a tenant from securing safe, stable, accessible, and affordable housing long into the future. For members of low-income and marginalized renter groups in particular, the effects can be detrimental to aspects of life well beyond housing, impacting their ability to access reliable transportation, quality schools, and well-paying employment.

To help minimize the negative impacts of eviction records for renters, the toolkit makes the following recommendations for lawmakers working to enact eviction record sealing and expungement legislation in their jurisdictions:

- Clarify the options available to individuals wishing to seal or expunge their eviction records.
- Ensure that protections cover all types of eviction cases.
- Require that eviction filings are sealed at the point of filing.
- Streamline eviction record sealing and expungement processes by reducing documentation.
- Limit public access to eviction data.
- Ensure that sealed records are sealed permanently.

The toolkit was authored by members of NLIHC's ERASE team, which for more than two years has documented the progress of the U.S. Department of the Treasury's Emergency Rental Assistance (ERA) program, working with state and local partners to conduct on-the-ground partnership development, capacity-building, outreach and education, and policy advocacy. In addition to ensuring that ERA funds reach the lowest-income and most marginalized renters, the ERASE project has tracked the enactment of state and local tenant protections aimed at diverting eviction filings and keeping tenants securely housed. Since the start of the pandemic, NLIHC has identified nearly 200 tenant protections that have been passed in response to the pandemic and its effects on housing.

Learn more about the ERASE Project at: https://nlihc.org/erase-project

Download the new toolkit here.

Homelessness and Housing First

NLIHC Joins Amicus Brief to Protect Unhoused People from Encampment Raids

NLIHC joined the National Homelessness Law Center, National Coalition for the Homeless, and National Alliance to End Homelessness (NAEH) in submitting an amicus brief to the U.S. Court of Appeals for the Ninth Circuit in opposition to encampment raids harming unhoused people in San Francisco.

In the amicus brief, the organizations urge the court to uphold a preliminary injunction issued by a lower court to temporarily stop the City and County of San Francisco and its police departments from enforcing or threatening to enforce local anticamping laws against people experiencing unsheltered homelessness. The lawsuit was originally filed by seven people experiencing homelessness and the Coalition on Homelessness, who argued that the city's encampment raids violate the rights established in *Martin v. City of Boise* to protect unhoused people when there is nowhere else for them to go.

The goal of the suit is to force San Francisco to use the funding it would have used to conduct encampment raids to instead invest in proven solutions to homelessness, starting with access to affordable housing.

NLIHC and its national partners argue that the lower court order should remain in place because homelessness is caused by a systemic lack of affordable housing and is not voluntary. The brief cites NLIHC's annual *Out of Reach* report, which shows that the cost of housing far exceeds what many seniors, people with disabilities, and low-wage workers can afford. Moreover, the brief argues that San Francisco did not introduce any evidence that the City adheres to the requirements of *Martin v. City of Boise*, which requires a jurisdiction to offer shelter to unhoused people before enforcing anti-camping bans. NLIHC and others argue that punishing and criminalizing homelessness serves no legitimate policy goal and wastes limited public resources.

As unsheltered homelessness increases in many communities, a growing number of elected officials have turned away from evidence-based practices proven to end homelessness. More communities have enacted and started to enforce anti-camping bans, which are counterproductive to efforts to end homelessness. In fact, raiding encampments prolongs homelessness, causing disruptions to case management and undermining the trust needed to effectively engage people experiencing homelessness. The most effective approach to ending homelessness, known as Housing First, is backed by decades of research. Under a Housing First model, people experiencing homelessness are provided immediate access to safe, decent, and affordable housing, paired with voluntary support services, including access to substance use treatment and counseling, mental health counseling, employment services, and others.

NLIHC, NAEH, and the Center on Budget and Policy Priorities have launched a monthly webinar series on Homelessness and Housing First, with over 10,000 people registering for the series. Advocates can register here.

NLIHC will provide further updates as the lawsuit unfolds.

Read the amicus brief at: https://bit.ly/41upbha

Register for the monthly webinar series on Homelessness and Housing First at: https://tinyurl.com/23san9we

See the evidence in support of Housing First at: https://tinyurl.com/yc3wahck

Learn more about best practices for responding to unsheltered homelessness at: https://tinyurl.com/3kdshzsb

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Recap of 4/17 Homelessness and Housing First Webinar

More than 10,600 people registered for the Homelessness and Housing First webinar hosted by NLIHC, the National Alliance to End Homelessness (NAEH), and the Center on Budget and Policy Priorities (CBPP) on April 17. The webinar, "Housing First Supports Income Security," examined the ways Housing First supports income security, including cash assistance and employment. The speakers shared strategies for leveraging community resources to increase program participants' incomes in ways that are tailored to each individual's goals.

Peggy Bailey, vice president for housing and income security at CBPP, moderated the webinar. In her opening remarks, Peggy addressed the false narratives about people who are unhoused and reminded advocates that the root cause of homelessness is the inability to afford housing. "Oftentimes, people who are unhoused get blamed for being unhoused because of their mental health condition, substance use challenge, or other issues; when really, not having a place to live is an income issue to begin with," stated Peggy.

Erik Gartland, research analyst at CBPP, provided an overview of research on the housing affordability crisis in the United States. He presented data demonstrating the widening gap between renters' incomes and housing costs, the severe housing cost burdens faced by low-income renters, and homelessness trends. Erik explained that the unprecedented resources and protections enacted in federal COVID-19 relief legislation played a critical role in keeping millions of families housed during the pandemic, underscoring the importance of increasing renters' incomes and expanding rental assistance to help close the gap between housing costs and what people can afford. In response to a question from Peggy, Erik discussed how HUD's new Fair Market Rent policy can better reflect housing costs in local communities, making it easier for families to find housing with their voucher.

Hannah Maharrey, executive director of the Mississippi Balance of State Continuum of Care (CoC), spoke about the range of strategies her CoC deploys to increase earned and unearned income among people experiencing homelessness in rural communities. She emphasized that Housing First is not "housing only;" instead, Housing First includes a range of supportive services, including those related to workforce and income. Hannah discussed the importance of housing in helping individuals increase their income and enter the workforce, emphasizing "it is much easier to get someone back into the workforce from a housed situation."

Kelly Green-Bloomfield, director of program operations at Flagler Housing and Homeless Services, discussed how her organization uses the Housing First model to quickly get individuals into housing and then provide services to help address each person's needs and goals. "Once you get people into housing and take care of that basic need, you can take a deep breath and work on the other barriers that are stopping them from increasing their income or being successful in their housing endeavors," explained Kelly. She emphasized that her organization operates from the core principle that every member of their community deserves a safe and stable place to call home.

Aubrey Wilde, advocacy program director at the Colorado Coalition for the Homeless, spoke about the Denver Basic Income Project, which provides direct cash payments to individuals experiencing homelessness. "This program is based in trust, strong partnerships, and the belief that people know how to take care of themselves and their families, and if we give them the opportunity to do that in the form of direct, unrestricted cash, they will make those smart choices for themselves," explained Aubrey. She emphasized the importance of helping individuals understand the potential impacts of the direct cash assistance program on other public benefits and giving them the agency to decide if they want to participate in the program.

During the moderated Q&A discussion, the panelists addressed the importance of community partnerships in the successful implementation of Housing First and discussed the role of choice in their programs as it relates to income and employment.

We have uploaded a recording of the call, as well as the presentation slides.

Did you miss the previous webinars on homelessness and Housing First? Check out the webinar recaps, including links to the recordings and presentation slides.

The next webinar will be held on Monday, April 17, from 2:30 to 4 pm ET. Register for the series at: https://bit.ly/3vIbn5o

Read more about Housing First at: https://bit.ly/3vHf8YR

Congress

HUD Secretary Fudge Testifies before House and Senate THUD Appropriations Subcommittees on President Biden's FY24 Budget Request

HUD Secretary Marcia L. Fudge provided testimony before both the U.S. House of Representatives' Committee on Transportation, Housing, and Urban Development's (THUD) Subcommittee on Appropriations on April 18 and the U.S. Senate's THUD Subcommittee on Appropriations on April 20 regarding President Biden's fiscal year (FY) 2024 budget request.

The President's FY24 budget request calls for increased funding for affordable housing and homelessness resources using two approaches: modest funding increases to HUD programs through the regular appropriations process, and major investments in housing through mandatory spending proposals. Through the regular appropriations process, the budget calls for funding HUD programs at $73.3 billion, an approximately $1.1 billion – or 1.6% – increase over FY23-enacted funding. Through its mandatory spending proposal, the budget calls for significant investments to address extremely low-income peoples' urgent housing needs, including additional resources for eviction prevention, funding to expand vouchers for youth aging out of foster care and low-income veterans, and assistance to address the capital needs of the most distressed public housing properties, among other resources. For full details, read NLIHC's analysis here.

"Whether you rent or own, having a good home in a neighborhood with opportunity sets the foundation for everything else in a person's life," said Secretary Fudge in her opening remarks. "Without a home, it is harder for a person to access good paying jobs and decent schools; it drives up costs for families and adds to inflationary pressures."

The hearings come as House Republicans, under the leadership of House Speaker Kevin McCarthy (R-CA), roll out their proposal to lift the federal debt ceiling, which would require Congress to cap FY24 domestic spending at FY22 levels in exchange for a vote to raise the debt ceiling until March 2024. The Secretary highlighted in her opening statement what the impact of such draconian cuts would be: "a reduction to FY22-enacted levels would mean thousands would lose access to the vouchers that keep them in their homes."

"We cannot carry out our mission to end homelessness and protect affordable housing…if we do not invest in the federal agency and federal workers who are charged with doing that important work," she continued. Secretary Fudge pointed out the President's FY24 budget request calls for a modest increase to HUD funding, "one that is necessary to ensure millions of families and communities can maintain access to services upon which they rely."

During the April 18 House hearing, both Republican and Democratic members acknowledge the importance of HUD's programs. House THUD Subcommittee Chair Tom Cole (R-OK) emphasized the necessity of reaching an agreement on FY24 funding and avoiding a long-term continuing resolution (CR), which extends appropriated federal funding from the previous fiscal year for a specified amount of time. Congress enacts CRs when they are not able to enact new appropriations bills before the start of the new fiscal year on October 1. Chair Cole asked Secretary Fudge to describe the impacts of a long-term CR on HUD programs, and she noted that, because the cost of housing rises from year to year, flat funding enacted through a CR acts as a cut, reducing the number of people being served by HUD's programs.

Ranking Member Mike Quigley (D-IL) agreed with Chair Cole that a CR would cause harm to the people and communities served by HUD programs but stated that a 20% cut to HUD's budget – like the one proposed in Speaker McCarthy's debt ceiling bill – would be devastating. Secretary Fudge agreed, stating that such a massive spending cut would make it impossible for HUD to perform simple operations, like inspections, and would prevent HUD from conducting other vital work, including making repairs to HUD properties, addressing the capital needs backlog in public housing, and renewing housing voucher and Project-Based Rental Assistance (PBRA) contracts.

"[There is] nothing we can do that is going to be good with this process; everything is going to be reduced," said the Secretary, emphasizing the dramatic impact funding reductions would have on HUD programs. "There would be no good decisions."

In response to a question from Representative Bonnie Watson-Coleman (D-NJ) about the impacts of capping FY24 spending at FY22 levels, Secretary Fudge emphasized that increased funding for HUD programs is needed more than ever as the U.S. continues to navigate the economic fallout from the pandemic: "People do not realize the gravity, and the crisis that we find ourselves in as a nation. When you have, on any given night, over 500,000 people sleeping on the streets, and [because of funding cuts] you cannot assist some 50,000 more, it makes the problem worse…we would be in the position where we could not support half of what we do."

Members also pressed Secretary Fudge to make needed improvements to HUD guidance and regulations, including improving landlord participation in the Housing Choice Voucher (HCV) program. Representative Juan Ciscomani (R-AZ) stated that his district has seen an uptick in the number of people experiencing homelessness and praised the HCV program as a "proven [effective] tool in reducing homelessness and housing instability." The Congressman emphasized the need for increased landlord participation in the program to improve voucher uptake, to which the Secretary responded that HUD can better incentivize landlord participation with additional information on why landlords are reluctant to participate.

Secretary Fudge returned to Capitol Hill on April 20 to testify before the Senate THUD Committee's Appropriations Subcommittee. As was the case during the Secretary's testimony before the House, Subcommittee members on both sides of the aisle agreed that HUD's programs are vital for families, communities, and the economy.

Subcommittee Chair Brian Schatz (D-HI) stated in his opening remarks that the Senate Appropriations Committee is working diligently to draft and move all 12 appropriations bills through regular order in the chamber and expressed hope that the bill will recognize the country's urgent need for housing resources.

"Housing and homelessness are a major concern, not only in major cities but in rural areas and small towns, and most severely in tribal communities," he said. "Now is not the time to slash housing programs; we should be building more housing, building faster, and getting more families into housing they can afford…We should be doing more – not less – to combat homelessness."

Chair Schatz also praised Housing First, an evidence-based approach to ending homelessness that has garnered bipartisan support for its effectiveness and cost savings. Housing First prioritizes moving people and families experiencing homelessness into safe, low-barrier housing with wrap-around services as needed, providing the stability needed to help improve long-term housing stability and well-being.

"We know that Housing First works, and we can do more to connect housing and supportive services to get people off the streets and into stable housing," said the Chair. Senate Appropriations Committee Vice Chair Susan Collins (R-ME), who formerly led the THUD Subcommittee, agreed, thanking Secretary Fudge for HUD's assistance with an influx of people experiencing homelessness in Bangor, Maine.

"[It was] a tremendous success; city officials have been so pleased with the expertise and recommendations that the HUD team brought," said Vice Chair Collins, noting that the city was recently able to take down an encampment after successfully housing the individuals who had been living there.

THUD Subcommittee Ranking Member Cindy Hyde-Smith (R-MS) also praised HUD programs and the public-private partnerships they help facilitate. “These partnerships assist low-income working families, seniors, and people with disabilities, ranging from providing houses for those experiencing homelessness to enabling homeownership. They also support community and economic development activities in large, urban areas, as well as the small towns of rural America,” she said in her opening remarks.

Even while recognizing the vital role HUD programs play, the Ranking Member warned that HUD is “not immune to the broader fiscal struggles we face as a country,” and that the year will require tough conversations around the budget and federal funding. Compounding HUD’s budgetary challenges is a $7 billion decrease in offsetting receipts from the Federal Housing Finance Agency (FHFA), which will require HUD funding to increase by an estimated $13 billion in FY24 just to maintain the level of services currently being provided by the department.

Members of the Subcommittee also highlighted HUD’s role in long-term disaster recovery. Chair Schatz emphasized the importance of permanently authorizing the Community Development Block Grant-Disaster Recovery (CDBG-DR) program, which he noted would allow Congress and local leaders to provide disaster recovery funding to communities in an “intelligent, predictable, responsive, accountable way.” Chair Schatz, along with Committee Vice Chair Susan Collins, introduced in the previous Congress the “Reforming Disaster Recovery Act,” which would permanently authorize the CDBG-DR program, making it easier to deploy HUD resources to disaster-impacted areas to assist with long-term recovery efforts.

Secretary Fudge agreed, noting that seven months after Hurricane Ian tore through eastern and central Kentucky, there were still people sleeping in tents. “It doesn’t make sense for us not to be able to go in and help people quickly,” she said. “And it doesn’t save a penny,” agreed Chair Schatz. “The way to assert fiscal discipline is to have a program, have accountability, not just to spend the money after [people have suffered].”

Senate Appropriations Committee Chair Patty Murray (D-WA) was last to question Secretary Fudge, and opened her questioning with a statement on the central role housing plays in broader stability and mobility: “When it comes to keeping folks safe, setting families up for success, and strengthening our country, it really starts, as you well know, with making sure everyone has a roof over their head, and no one is left on the streets or out in the cold.”

Chair Murray fought for critical investments in affordable housing, homelessness, and community development resources in the FY23 budget and emphasized her commitment to continuing building on those investments in FY24, noting “these are investments that pay off for our country in a lot of ways – they help families build wealth, they provide safety and stability so our kids can focus on schools and adults can focus on their jobs, and strengthen our families, our communities, and our economy.”

Watch a recording of the House THUD Appropriations Subcommittee hearing at: https://bit.ly/3LhglgD

Watch a recording of the Senate THUD Appropriations Subcommittee hearing at: https://bit.ly/3LuacPv

Fair Housing

NLIHC Joins National Women's Law Center AFFH Comment Letter

NLIHC signed on to a letter drafted by the National Women's Law Center (NWLC) that comments on HUD's proposed Affirmatively Furthering Fair Housing (AFFH) rule. The letter, which commends HUD for advancing the proposed AFFH rule and making significant improvements to the 2015 AFFH rule, states that the rule "is a critical tool for creating more equitable and inclusive communities in which all residents, including women and LGBGTQI+ people, have access to the resources and opportunities they need to live with dignity and to flourish." The letter observes that "to ensure fair housing choice for women, pregnant people, families, survivors, and LGBTQI+ people, communities must also proactively address structural inequities and community needs."

The NWLC comment letter describes eight improvements in the proposed AFFH rule that should be preserved in the final AFFH rule. However, the letter also states that HUD should make several changes to improve the effectiveness of the final rule, including the following:

- The proposed rule defines "protected characteristics" (reflecting the Fair Housing Act's "protected classes") as referring to race, color, religion, sex (including sexual orientation, gender identity, and nonconformance with gender stereotypes), familial status, national origin, and having a disability, specifying the meaning of the word "sex" to include the content in parenthesis. NWLC supports this specification but recommends further refinement by adding the words "sex characteristics" and "pregnancy." The addition of "sex characteristics" would be consistent with Executive Order 14075. Regarding "pregnancy," HUD has long recognized that pregnancy discrimination in housing occurs and may constitute both sex discrimination and familial status discrimination under the Fair Housing Act.
- HUD should include more details in the final rule about the identity of those with whom program participants should engage as part of formal community engagement provisions. (Program participants are state and local governments, which must have a Consolidated Plan, and public housing agencies (PHAs), which must have a PHA Plan. The letter suggests including people who are or have been directly impacted by fair housing issues, as well as community-based groups who serve as trusted advisors to various segments of the community, fair housing and tenant rights groups representing members of protected classes, and organizations that provide housing, health, child and adult dependent care services, social services, services for survivors of gender-based violence, and other services to members of protected classes.
- The final rule and accompanying guidance should make it clear that community engagement may take many different forms, ranging from formal public hearings to smaller, more focused discussions with targeted groups, virtual meetings that are accessible and allow stakeholders to participate from their homes, and surveys or other means of collecting feedback on particular issues.
- It is critical for program participants to visit people directly and not rely on attendance by impacted people at community meetings. In addition, some stakeholders, such as LGBTQI+

people, survivors of gender-based violence, immigrants, and people with limited English proficiency, may need a safe space for sharing views that they may not be comfortable sharing in large public settings.
- The final rule should provide greater clarity about when and how often program participants should engage with the community.
- The final rule should specify that community stakeholders should be involved in setting priorities.
- HUD should require program participants to post on their own websites their draft and final Equity Plans and their annual progress evaluations.

Read the NWLC comment letter at: https://bit.ly/43I3xYK

Find HUD's easy-to-read preview version of the proposed AFFH rule at: https://bit.ly/3wWsRLH

Find the *Federal Register* version of the proposed AFFH rule at: https://bit.ly/3RIYfa1

HUD

HUD CPD Removes Requirement to Spend 80% of CDBG-CV Funds in Three Years

HUD's Office of Community Planning and Development (CPD) published a notice in the *Federal Register* on April 18 removing the requirement that state and local grantees that received Community Development Block Grant supplemental funds (known as "CDBG-CV" funds) through the "Coronavirus Aid, Relief, and Economic Security Act" (CARES Act) spend at least 80% of their grant within three years after the finalization of the grant agreement with CPD. Grantees must still spend all their CDBG-CV allocation within six years.

The *Federal Register* notice states that CPD did not anticipate expenditure delays that would be caused by the coronavirus pandemic, such as major supply chain issues for construction materials, prolonged shutdowns, and other economic effects of quarantines, social distancing, and workers dropping out of the workforce to care for family members. These forces delayed construction launch and completion, stalled inspections, and delayed at least some activities for virtually every CDBG-CV grantee. Delays were compounded for grantees as staff struggled to adjust to remote or hybrid work while implementing a number of other fast-moving and often overlapping CARES Act, Federal Emergency Management Agency (FEMA), and "American Rescue Plan Act" funding from multiple agencies, while considering the best uses for each funding source and preventing duplications of benefits. Due to impacts related to the pandemic, over one-third of the more than 1,200 CDBG-CV grantees have yet to achieve the 80% expenditure target.

Read the April 18 *Federal Register* notice at: https://bit.ly/41pdKbe

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NLIHC Signs On to NHLP Letter Urging Congress to Place Guardrails on Funds Intended to Preserve HUD-Assisted Multifamily Properties

NLIHC signed on to a letter submitted by the National Housing Law Project (NHLP) to U.S. Senate and House of Representatives Appropriations Subcommittee leaders, urging Congress to place tighter guardrails on funds intended to be used to preserve properties assisted with Section 8 Project-Based Rental Assistance (PBRA) in order to ensure that HUD and owners of PBRA properties are held accountable for keeping these properties in decent, safe, and healthy condition. As shown again and again through extensive documentation and reporting, many tenants throughout the country are living in housing that is harmful to their health and that does not meet federal physical conditions standards. Tenants are directly harmed by HUD's failure to hold those owners accountable and to use its existing tools to improve housing conditions and protect tenants.

HUD's Office of the Inspector General's fiscal year (FY) 2023 Report on Top Management Challenges identifies eliminating hazards in HUD-assisted housing, including improving physical conditions in units, as a continued top management challenge. President Biden's FY24 budget request for HUD's Project-Based Rental Assistance program seeks a total of $53 million for troubled properties, $28 million of which is to be targeted to properties that remain in poor physical conditions because their owners consistently fail to correct deficiencies. While the letter supports the proposed funding, there is serious concern that many owners caused or contributed to the poor conditions and that HUD has continued to fail to exercise its existing enforcement authority.

Two Key Provisions in the President's Budget Proposal

Section 233 of the General Provisions (page 53-16 and 53-17) of the budget request permits HUD to make direct loans, including forgivable loans, to owners of PBRA properties at risk of physical obsolescence with rents that are not adequate to cover debt needed to make necessary physical improvements. In exchange for a loan to rehabilitate a property, an owner must agree to extend the property's affordability period for an additional 30 years. Page 23-4 of the PBRA "Congressional Justification" (CJ) seeks $25 million for this new "Distressed Properties Capital Loan Program." HUD estimates this amount will support rehabilitation of 12 properties containing 500 units.

Section 234 of the General Provisions (page 53-17) adds a provision to Section 524 of "The Multifamily Assisted Housing Reform and Affordability Act of 1997" (MAHRAA). This would enable owners of at-risk PBRA properties that have health and safety deficiencies to request rent adjustments to either a budget-based rent (rent based on the actual cost of operating a property) or a comparable market rent, whichever is lower, so that the property owner could obtain financing needed to cure the health and safety deficiencies. Pages 23-4 and 23-9 of the PBRA CJ seeks $3 million for this amendment and anticipates increasing contract rents for 10-15 properties.

MAHRAA already allows HUD to make "Budget-Based Rent Increases" (BBRIs) for post Mark-to-Market (M2M) Section 8 properties to prevent them from becoming distressed and to facilitate rehabilitation, provided the adjusted rents are at or less than comparable market rents.

M2M contract rents are initially set at market levels and currently may be adjusted by annual Operating Cost Adjustment Factors (OCAFs), unless HUD approves a budget-based rent. For this set of at-risk properties, HUD requested $25 million (page 23-4 of the CJ) and anticipates serving 100 at-risk properties, out of an estimated 1,800 properties that have rents less than the Fair Market Rent (FMR).

The Letter's Recommendations

The letter recommends that the Committees include eight provisions intended to ensure the $53 million in proposed preservation investments in HUD's budget yield habitable, preserved HUD-assisted housing. The recommendations include:

- Requiring a 50-year affordable use restriction (instead of 30 years) as a condition of receiving a direct loan, and applying the same 50-year use restriction for properties granted increased rents. Owners of these properties must also agree to a perpetual, required Housing Assistance Payment (HAP) renewal if HUD offers a contract for renewal.
- Requiring use restrictions expressly enforceable by tenants, including for a failure to meet decent, safe, and sanitary requirements.
- Requiring owners receiving a direct loan or increased rents to agree to promptly make all required repairs, and when required by HUD, to develop a rehabilitation plan in consultation with tenants to be approved by HUD; and requiring owners to undertake capital needs planning and accumulate higher required reserves to cover repairs and replacement needs.
- If there is a material violation of the terms of the contract or program standards that remains unremedied, HUD must seek specific performance of the contract, judicial receivership, or a transfer of the property to a capable preservation purchaser, prior to terminating a contract.

The letter also notes that HUD provides an explicit right to organize in HUD's Multifamily programs but does not fully fund tenant organizing activities in project-based properties. Under MAHRAA, Congress allows HUD to allocate up to $10 million per year (under Section 514) for tenant groups and nonprofit organizations to provide capacity building and technical assistance to tenants in HUD-assisted properties that have issues regarding conditions, contract restructuring, or other threats to long-term affordability. The letter states that Congress should make these funds available for use to support legitimate tenant organizations' preservation efforts.

Read NHLP's letter at: https://bit.ly/3Agsi0S

Read the Project-Based Rental Assistance Program budget request at: https://bit.ly/3otfdym (see pages 23-4 and 23-9)

Read the budget request General Provisions at: https://bit.ly/43M0QFF (Sections 233 and 234 are on pages 53-16 and 53-17)

More information about the Project-Based Rental Assistance Program is on page 4-77 of NLIHC's *2023 Advocates' Guide*.

NLIHC Submits Comment Letter Addressing Proposed Changes to PIH Form 50058

NLIHC submitted a comment letter supporting proposed changes to HUD's Public and Indian Housing (PIH) Form 50058 and providing information about households assisted through public housing, Housing Choice Vouchers (HCV), and the Moving to Work (MTF) program. The form gathers information about assisted households, such as demographic data, household composition, and income. PIH sought input through a "60-day Notice of Proposed Information Collection," as required by the "Paperwork Reduction Act." Comments are due on April 27.

NLIHC supported all proposed changes to Section 2 of Form 50058 intended to record actions related to households. For instance, NLIHC agreed with adding information on "PBV Transfer to Tenant-Based Voucher" because it can offer clues about the extent to which households take advantage of the Project-Based Voucher (PBV) program's option to move with a tenant-based voucher after one year, a key mobility provision.

NLIHC endorsed adding a question to indicate the primary reason a household ends its participation in a program because it can indicate problems a PHA needs to address, or it can suggest the successes of households in achieving greater economic self-sufficiency. However, NLIHC emphasized that it is not sufficient to simply use the options of "Tenant Initiated" and "Nonpayment of Rent"; instead, there must be opportunities to refine each. For example, for the option "Tenant Initiated," was this due to the fact that a household moved to a different city? Did their income increase to the point that they became over-income? Was the resident unable to secure a "Violence Against Women Act" transfer? Was the quality of housing so poor that the household thought it would be better off elsewhere?

Adding a "Nonpayment of Rent" code for indicating why a household leaves a program can generate particularly salient information, and NLIHC supports this addition. However, NLIHC believes that entering this information without elaboration is insufficient; additional information should be ascertained regarding the reason a household could not pay rent. For example, was there a serious health crisis, job loss, or some other significant event? If so, did the PHA offer a hardship exemption, a flexible repayment plan, budgeting assistance, or some other means to help the household weather the event?

Adding the date a household vacated an HCV unit, when paired with the existing information about when the household was admitted to the program, provides data about the length of stay in the program, information useful to researchers and policy advocates. The addition of a question about the reason a household obtains an interim reexamination is valuable, as the pandemic demonstrated. NLIHC suggested an additional question to indicate whether a rent adjustment due to a reexamination was applied retroactively to the date the household's income declined, not when the household applied for a reexamination.

NLIHC also supported changes to Section 3 regarding the composition of assisted households. NLIHC supported replacing the word "sex" with the word "gender" and adding to "Male" and "Female" in the guidance instructions "Non-Binary/Transgender," an option to pick more than one response, and "NR-Response/Prefer not to answer." NLIHC also endorsed requesting information about sexual orientation, including the categories listed in the notice, with the addition of "Intersex," which was included in Executive Order 14075. NLIHC suggested the question apply not only to the head of household but to all members of a household because a household's admission and continued occupancy could suffer from discrimination even if the head of household is not LGBTQI+.

While NLIHC supported expanding options under "race," the letter argued "Other" is not an appropriate choice. In the context of race, "other" has very serious negative connotations, suggesting the feared or denigrated "other" who is not like "us." NLIHC suggested "Some Other Race" as used by the decennial census and the American Community Survey. The letter also suggested adding "Middle Eastern or North African" as proposed by the Office of Management and Budget (OMB) in January. Currently, the census includes persons of Middle Eastern or North African descent as white, but many people who are Middle Eastern or North African do not consider themselves as white. NLIHC also suggested adding "Multiracial" or "Mixed-Race or Biracial."

Regarding proposed changes to Section 4 providing household information upon admission to a program, NLIHC endorsed adding a line to indicate the date when a household was selected from the waiting list. When compared to the existing date when a household entered the waiting list, this can indicate the length of time households have been on the waiting list, and, in conjunction with other characteristics on Form 50058, can suggest which household characteristics might benefit or suffer from a PHA's preferences policies. A new question to ascertain whether a household was formerly homeless can reflect the extent to which a PHA's policies attempt to address homelessness and the success of such policies. NLIHC also approved adding a question regarding whether a household transitioned out of an institutional setting, reflecting a PHA's policies and practices consonant with *Olmstead* principles.

Read NLIHC's comment letter at: https://bit.ly/40tLyTf

Read the 60-day Notice of Proposed Information Collection at: https://bit.ly/3Ag7LJR.

More information about the Public Housing program is on page 4-32 of NLIHC's *2023 Advocates' Guide*.

More information about the Housing Choice Voucher program is on page 4-1 of NLIHC's *2023 Advocates' Guide*.

More information about Project-Based Vouchers is on page 4-9 of NLIHC's *2023 Advocates' Guide*.

Emergency Rental Assistance

New Reallocation Data Indicate Initial Disparities in States' ERA Allocations Have Been Addressed in Limited Ways

The U.S. Department of the Treasury (Treasury) released data on the third round of allocations from the second tranche of Emergency Rental Assistance (ERA2) funds. Reallocation is a process in which Treasury transfers funds from grantees determined to have “excess” funds to grantees with additional needs. This round of reallocation was based on spending through September 2022. In the third round of ERA2 reallocation, Treasury reallocated just over $521 million. In total, over $4.8 billion of ERA1 and ERA2 funds have been reallocated since September 2021, the majority of which has remained in the same state. This trend has prevented Treasury from fully addressing disparities between states’ initial ERA allocations.

Eighty-seven grantees – 73 local grantees and 14 state grantees – received reallocated funds in this round. Approximately 53% of funds were reallocated to local grantees. The amounts received by local grantees ranged from $51,000 (Reno, Nevada) to $51.4 million (Columbus, Ohio). The vast majority of funds reallocated to Columbus were redirected from the State of Ohio. Funds reallocated to state grantees ranged from $512,000 to $68.1 million. Across the three rounds of ERA2 reallocation, the grantees receiving the most funds are the State of California ($195.9 million), the State of New York ($167.7 million), and the State of New Jersey ($112.3 million), representing a 9%, 14%, and 40% increase in their initial ERA2 allocations, respectively.

In this round of reallocation, 63 grantees – 52 local grantees, 10 state grantees, and Puerto Rico – were subject to reallocations by Treasury. Nearly 70% of the reallocated funds were taken from state grantees, ranging from $60,000 (Lake County, Ohio) to $120.5 million (the State of Ohio). The State of Ohio accounted for 23% of all funds reallocated in this round. All the funds taken back from Ohio’s state grantee were reallocated to local grantees within the state.

As required by statute, initial ERA allocations were largely based on population, with no state receiving less than $352 million between the two tranches of funding. This procedure resulted in some states receiving a disproportionately small allocation of ERA funds per cost-burdened, low-income (CBLI) household. The reallocation process gave Treasury the opportunity to address these disparities. Nearly six out of every ten reallocated dollars have remained in the same state, resulting in disparities being addressed in limited ways. For example, the three states that received the lowest initial ERA allocation per CBLI household are New York ($1,667), California ($1,940), and Nevada ($1,990). Thus far – between both ERA1 and ERA2 reallocations – New York’s allocation per CBLI household has increased by 18%, California’s allocation has increased by 12%, and Nevada’s allocation has increased by 2%. The District of Columbia has seen the largest increase in allocation (19%), from $5,814 to $6,913 per CBLI household. The state with the largest decrease in allocation per CBLI household is South Dakota, which had an initial allocation of $9,078 but now has an allocation of $2,448 per CBLI household, after the reallocation of nearly $183 million.

Judging from the most recent Treasury guidance, NLIHC anticipates an additional round of ERA2 reallocation based on spending through December 2022.

Data on reallocations to the general pool can be found at: https://bit.ly/3GXN1u3.

Data on voluntary reallocations to designated entities can be found at: https://bit.ly/43PjpZu.

Rural Housing

NLIHC Joins National Rural Housing Coalition in Letter to Congress Urging Increases to Funding for Rural Housing

NLIHC joined a letter led by the National Rural Housing Coalition in support of increased appropriations for federal rural housing and water sewer programs administered by the U.S. Department of Agriculture (USDA). The letter outlines the clear need for affordable housing in rural communities and condemns the declining investment in new housing construction.

"In its history, the rural housing programs administered by the U.S. Department of Agriculture (USDA) have made housing opportunities available to millions of low-income families, financing over 2 million home mortgages and some 500,000 units of affordable rental housing," the letter states. "However, over the last 20 years, rural housing assistance has slowed to a trickle. Budget cuts and inflation have taken their toll: USDA finances less than 7,000 mortgages annually for low- and very low-income homeowners, does not provide any direct loans for new construction of affordable rental housing, does little in the way of preserving existing rental housing, and annually builds only about 200 units of housing for migrant and seasonal farmworkers."

More than 60 state and national organizations have signed the letter, which urges congressional appropriations leaders to approve an appropriation for USDA rural housing and water disposal that aligns with that proposed in the USDA FY24 budget proposal.

Read the full letter at: https://bit.ly/3N3z6Gx

Disaster Housing Recovery

FEMA Administrator Criswell Testifies before House Appropriations Homeland Security Subcommittee Regarding FEMA's FY24 Budget Request

FEMA Administrator Deanne Criswell testified before the U.S. Congress on April 18, defending the agency's recent budget request for fiscal year (FY) 2024 and warning that without quick congressional action, the readiness of the agency to respond to disasters will be hampered by a lack of funds.

Administrator Criswell appeared before the U.S. House of Representatives' Committee on Appropriations' Subcommittee on Homeland Security for approximately an hour and a half, answering questions about the agency's budget request. Administrator Criswell highlighted reforms recently implemented by the agency to ensure state and local governments in rural areas have easier access to reimbursements from the agency and addressed questions from members of the Subcommittee who attacked COVID-19-related spending, which is currently being wound down by the agency. Administrator Criswell also highlighted the importance of mitigation work undertaken by the agency, and specifically its flagship Building Resilient Infrastructure and Communities (BRIC) program.

The agency requested $30.2 billion in total appropriations for the coming fiscal year. The majority of those funds would be placed in FEMA's Disaster Relief Fund (DRF), the agency's primary funding source for both operational funding and disaster assistance provided to local and state governments, as well as households. Administrator Criswell painted a bleak picture, suggesting that the DRF will be exhausted by July 2023, forcing the agency to take contingency measures to ensure that it is prepared to respond to future catastrophic events.

Read Administrator Criswell's opening statement at: bit.ly/3LmwcvB

Listen to the hearing at: bit.ly/43QJIP9

Disaster Housing Recovery Updates – April 24, 2023

Congressional and National Updates

Representative Dina Titus, the Ranking Member of the U.S. House of Representatives' Committee on Transportation and Infrastructure's Subcommittee on Economic Development, Public Buildings, and Emergency Management, reintroduced the "Disaster Survivor Fairness Act of 2023" in the U.S. House of Representatives on May 27. The bill would create a uniform application system for federal disaster recovery assistance across multiple federal agencies, change standards regulating FEMA assistance to permit funds to be used for household mitigation measures, and expand when FEMA can offer repair assistance to homeowners. The bill would also create a dashboard outlining important information about FEMA's assistance, including the number of renters or homeowners receiving assistance and their incomes.

In a Gallup poll released at the beginning of April, one-third of respondents said that they had personally experienced an extreme weather event in the past two years. Nearly half of all respondents from the South said that they had experienced such an event.

CNN reported that racial disparities are stalling disaster recovery efforts for people of color and that climate change could make matters worse.

Axios reported on how climate-displaced Americans are facing discrimination. Households with fewer funds are less likely to return to their pre-disaster homes and less likely to make quick progress in the rebuilding process.

Recent tornados across the Southeast have been estimated to have caused $83 billion in damage.

Agency Updates

FEMA is hoping to significantly increase the number of emergency response personnel the agency employs through a 20% hiring surge. Last year, Congress passed the "Civilian Reservist Emergency Workforce Act," which protects the jobs of FEMA reservists when they deploy to disaster areas.

The Government Accountability Office (GAO) released a report on disaster contracting by federal agencies in advance of this year's fire season. The report found that the U.S. Forest Service had not yet developed mechanisms to archive and track the implementation of best practices regarding disaster contracting and highlighted the need for policy updates at the U.S. Department of Homeland Security, the Department of Agriculture, and the Department of the Interior.

The Small Business Administration issued revisions to its disaster loan program allowing the agency to deploy the program in certain areas without a direct disaster declaration by FEMA. These changes make it easier for SBA to approve the program in rural areas that may not have seen enough property damage to garner a disaster declaration but that nevertheless were struck by a disaster.

State and Local Updates

Arkansas

FEMA assistance is beginning to be received by victims of the recent tornado outbreak in Arkansas.

Residents of Little Rock are receiving hotel stay vouchers from area volunteer and nonprofit organizations. Many recipients had been paying for these rooms with their own funds.

Officials in Wynne, which was heavily impacted by a tornado, are wondering what the town's future looks like. The town is still working to remove debris and find ways to ensure that residents can return.

Colorado

Nearly 122 homes remain uninhabitable following the Marshall Fire in Colorado. Homes that were not completely destroyed still pose severe challenges for owners, who have the arduous task of rehabbing them after large-scale smoke and infrastructure damage.

Florida

A report released in early April found that Hurricane Ian caused $112.9 billion in damage and led to at least 156 deaths across the U.S. Sixty-six deaths occurred in Florida, along with $109.5 billion of the total costs of damage, making the storm the costliest in Florida history and the third-costliest hurricane on record in the U.S. after Hurricane Katrina (2005) and Hurricane Harvey (2017).

The State of Florida published a new version of "Hurricane Matthew Subrecipient Policies and Procedures" on April 17, updating the state's policies for monitoring compliance and information with regard to HUD-funded programs working to address the impacts of the storm.

Indiana

Federal assistance is now available in Indiana following the approval of a disaster declaration for the state in response to a tornado outbreak and severe storms on March 31. The tornados damaged more than 1,000 structures while injuring 34 people and killing five.

Kentucky

The USDA has announced that it will make grants available to help repair homes damaged during the East Kentucky Floods of 2022. The funding, offered by USDA Rural Development, is being made available through FEMA's Interagency Recovery Coordination (IRC) mission and will offer as much as $40,675 to low-income households.

Louisiana

Hurricane survivors in Louisiana have been left wondering whether they will ever recover after the slow rollout of HUD-funded disaster recovery funds in the state.

Mississippi

In Monroe County, supervisors are hoping that FEMA approves the county's application to construct tornado safe rooms and rebuild government facilities in the aftermath of the recent tornado outbreak.

Montana

The Montana legislature is debating legislation that would create a specific task force to provide aerial fire suppression support to state firefighters. Lawmakers cited the growth of housing in areas vulnerable to wildfire as a reason to proactively increase the number of tools available to the state to deal with the issue.

New Mexico

The New Mexico legislature passed legislation earlier this year approving the creation of a bridge loan program for governments in communities impacted by wildfires in northern New Mexico. According to the state law, however, only communities that have been approved for FEMA's Public Assistance program can access the funding, creating an additional logjam as the agency works through requests from towns in northern New Mexico.

North Carolina

Those in the western part of North Carolina who are recovering from flooding caused by the remnants of Hurricane Fred recently received a boost in funds from the federal government. County governments are now requesting public input concerning how the funds should be used.

Puerto Rico

Several advocacy organizations are suing FEMA over the use of agency funds to rebuild Puerto Rico's fragile power system. The lawsuit alleges that efforts to reconstruct the outdated grid according to its pre-disaster form are irresponsible and are being undertaken without properly assessing environmental impacts or the potential for damage from future storms.

Opportunity Starts at Home

New Issue Brief Explores Connections between Housing, the Environment, and Policy Solutions

The Opportunity Starts at Home (OSAH) campaign released an issue brief, "Housing Policy is Environmental Policy: The Complementary Aims of Fair Housing and Environmental Justice," on Earth Day (April 22). The brief explores the connections between housing and the environment by taking a close look at the impacts of environmental injustices on housing stability, the history of environmental and housing policy and advocacy, and federal policy solutions to problems involving the intersections of the environment and housing. Among other things, the brief details the threats to stable housing posed by climate change, several recent initiatives championed by the Biden administration, and how the OSAH campaign's policy agenda provides solutions to urgent challenges. "American history has been defined by a blatant lack of both fair housing and environmental justice, especially for communities of color and households with the lowest incomes," explains the brief. "However, by building on recent momentum and pursuing a set of ambitious policies at the intersection of housing and climate, it is possible to put the country on a path to 'green' and affordable prosperity." Read the complete brief here.

From the Field

Colorado Organization Releases Report on Prioritizing Low-Income Housing

The Colorado Coalition for the Homeless recently published a report, *Colorado's Affordable Housing Crisis: It's Time for Strategic Investments*, highlighting the current state of affordable housing in Colorado. The report provides an in-depth overview of the consequences of a lack of funding for homelessness and affordable housing programs for the most vulnerable renters. The timely research demonstrates why legislators in Colorado need to take action to address the state's high cost of housing, which is increasing the number of cost-burdened households and the rate of homelessness.

One aim of the report is to debunk the myth of "trickle-down housing." According to this myth, investments in housing for middle- and high-income residents will clear the way for lower-cost housing to become available to lower-income residents. Citing NLIHC's *Out of Reach* report, the Colorado Coalition for the Homeless emphasizes that the growing shortage of affordable housing illustrates the failure of high-end development to adequately address the housing shortage. The findings of the report support the argument that "trickle-down housing" does not lead to increases in housing supply or stronger economic security for low-income residents.

The report also considers the need for individual states to fund affordable housing. Colorado has made several investments in affordable housing, with the most recent being made through the passage of "Proposition 123," which is expected to generate $300 million per year for housing affordability and homelessness prevention and resolution. While recent increases in funding for affordable housing programs are beneficial, such increases have yet to rise to levels matching the demand for affordable housing units.

Advocates in Colorado are pushing to ensure that funds support projects helping those most in need. "We really want to make sure that those [Proposition 123] funds get to the households that voters said they wanted it to get to, and we're hearing that there are efforts to change that to maybe target those funds for middle-income households in some areas of the state," said Cathy Alderman, chief communications and public policy officer for the Colorado Coalition for the Homeless, in a recent article. "We just think voters approved making these funds available for those households most in need, and so we want to honor that."

In addition to statewide housing investments, federal housing investments also need to be strengthened to support key housing and homeless programs, such as the HOME Investment Partnerships Program (HOME) and Community Development Block Grant (CDBG), Low-Income Housing Tax Credit (LIHTC), and Housing Choice Voucher programs. Pairing state, local, and federal investments in deeply affordable housing can assist the lowest-income households by providing them with further assistance and limiting competition for development funds.

The report concludes by encouraging policymakers to question how they use funds to promote strategic development in Colorado. It also lists a set of commitments for all policymakers, including prioritizing funds for the lowest-income households; prioritizing mixed-income developments; deeply targeting affordable housing in any development; and tying efforts to increase density with affordability, anti-displacement, and accessibility measures.

Find more information about the Colorado Coalition for the Homeless here.

Read the report here.

Research

Study Finds Less Restrictive Zoning Regulations Increase Housing Supply, though Not Necessarily for Renters with Low Incomes

New research from the Urban Institute, "Land-Use Reforms and Housing Costs: Does Allowing for Increased Density Lead to Greater Affordability?," evaluates the relationship between local land-use reforms and changes to the housing supply and median rent. The authors find that reforms that loosen restrictions and allow higher densities were associated with an 0.8% increase in housing supply three to nine years after reform passage. The increase was statistically significant for units affordable to renters with higher-than-middle incomes. However, the authors found no evidence of an increase in units affordable for renters with low-to-moderate incomes.

These findings highlight the need for policymakers to provide greater investments in subsidy programs for affordable housing development and in rental assistance for low-income renters alongside land-use reforms to sufficiently address communities' housing needs.

The authors relied on newspaper articles covering 1,136 cities in eight metropolitan regions between 2000 and 2019 to identify 180 land-use reforms, 84 of which increased restrictions and reduced allowable densities and 96 of which loosened restrictions and increased allowable densities. The authors relied on address counts from the U.S. Postal Service to measure changes in the number of housing units. Finally, they used American Community Survey (ACS) data to track changes in demographics, housing costs, and housing affordability.

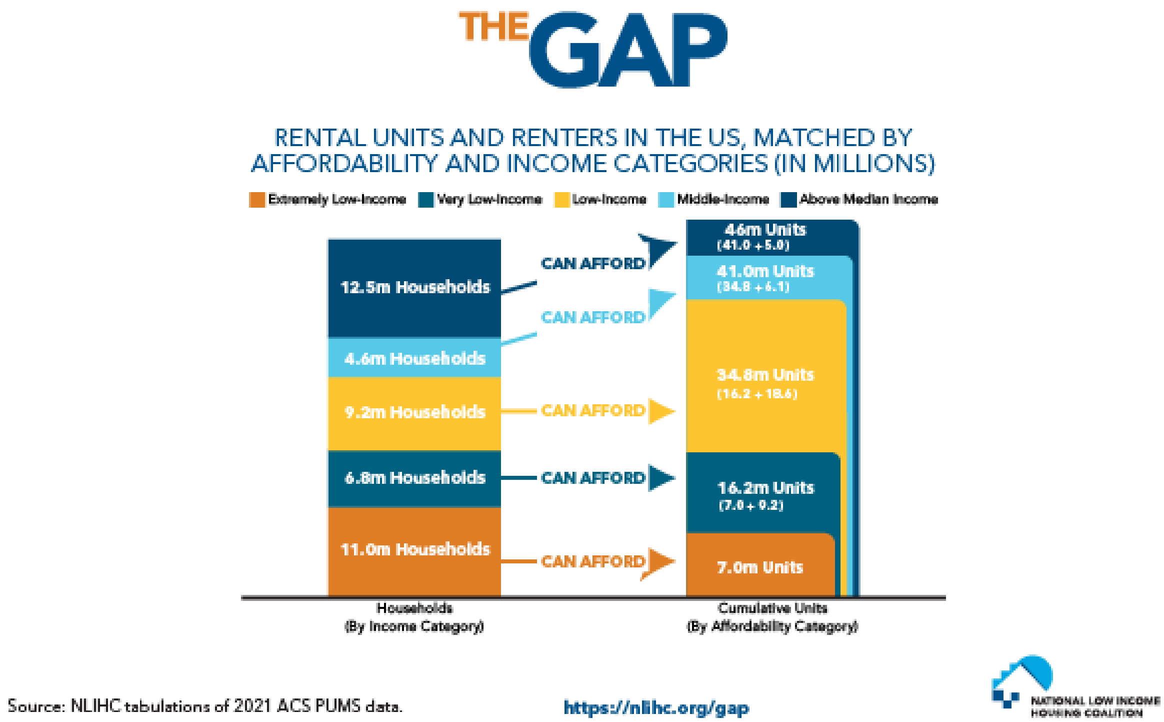
Three to nine years after reforms aimed at loosening restrictions were passed, the authors found a 0.8% increase in housing supply. Renters with higher incomes were the main beneficiaries of these reforms, as evidenced by the 43% short-term increase and 63% medium-to-long-term increase in the number of units affordable to families with incomes higher than the national median. The impact on the number of units affordable to those with extremely low incomes and very low incomes was positive but not statistically significant. The authors note that the number of units for extremely low-income renters may be too small to detect statistically significant changes. Increases in land-use restrictiveness were not associated with cities' changes in overall housing supply, but more restrictive policies were associated with a $50 rise in median rents and a decline in the number of rental units that were affordable to middle-income households.

These findings suggest that land-use reforms should be supplemented with policies and public investments to create and preserve affordable housing, which the authors suggest might be more effective, especially in the short term, to help alleviate affordability challenges faced by low-income renters.

Read more here: https://urbn.is/3mEbCgG

Fact of the Week

Renters with Extremely Low Incomes Face Absolute Shortage of Affordable Housing and Fewest Housing Options



Source: NLIHC tabulations of 2021 ACS PUMS data.

NLIHC in the News

NLIHC in the News for the Week of April 16

The following are some of the news stories to which NLIHC contributed during the week of April 16:

- “Low-income households affected by the affordable housing crisis” *The Daily Advertiser,* April 16: https://bit.ly/41JK1t9
- “A lack of affordable housing in Kansas prevents Section 8 tenants from using rent subsidies” *NPR, KCUR All Things Considered,* April 19: https://bit.ly/41Mffjy
- “The Rush to Convert to Multifamily: Why Hotel Deals Are on the Rise, but Offices Are Lagging Behind” *BisNow,* April 19: https://bit.ly/40rHv9O

Where to Find Us – April 24

- Sacramento Metro Chamber of Commerce Annual Capitol-to-Capitol Program Meeting – Washington, DC, April 24 (Sarah Saadian)

- NeighborWorks Training Institute – San Francisco, CA, May 3 (Courtney Cooperman)
- National Association of Local Housing Finance Agencies conference – Tampa, FL, May 4 (Kim Johnson)
- Maryland Emergency Management Association 2023 Symposium – Ocean City, MD, June 1 (Noah Patton)
- South Dakota Housing for the Homeless Consortium, Annual Homeless Summit – Pierre, SD, June 13-14 (Diane Yentel and Courtney Cooperman)
- A Home for Everyone – Oshkosh, WI, July 19-20 (Courtney Cooperman)

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