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## Housing Trust Fund

### HUD CPD Announces 2023 HTF State Allocations

In a [media release](#) issued on May 13, HUD's Office of Community Planning and Development (CPD) announced that \$382 million in 2023 national Housing Trust Fund (HTF) dollars will be allocated to states, the District of Columbia, Puerto Rico, and U.S. territories. The 2023 HTF allocation is a significant reduction from the 2022 allocation of \$749 million, probably due to a significant drop in single-family mortgage loan and refinancing purchases by the Government Sponsored Entities (GSEs) in 2022 as a result of the Federal Reserve Board's decision to raise interest rates repeatedly in 2022 to fight inflation.

The total HTF allocation of \$382 million differs from the \$354 million allocation announced by the Federal Housing Finance Agency (FHFA) (see *Memo*, [3/6](#)) for three reasons. First, because the formula allocated relatively little to the Insular Areas, they declined their grants. Second, when states failed to meet a previous year's fund commitment and/or expenditure requirements before the deadline, the amount left unexpended was "de-obligated" and added back to the total available for reallocation in the following year. Third, due to a quirk in the "Housing and Economic Recovery Act of 2008" (HERA), a certain amount of funding must be held back every year and then restored the following year.

Created through HERA and overseen by HUD's Office of Affordable Housing Programs (OAHP) within the Office of Community Planning and Development (CPD), the HTF allocates funding annually to states to build, preserve, rehabilitate, and operate rental housing for extremely low-income (ELI) households – those with income less than 30% of the area median income (AMI) or with income less than the federal poverty line. Nationally, there is a [shortage of 7.3 million rental homes](#) affordable and available to people with the lowest incomes.

HERA stipulated that the initial dedicated source of revenue for the HTF and the Capital Magnet Fund (CMF) was to derive from an annual set-aside of 4.2 basis points (0.042%) for each dollar of the unpaid principal on the GSEs' new business purchases, which consist of single-family and multifamily mortgage loans purchased during the year, and single-family and multifamily mortgage loans underlying mortgage-backed securities issued during the year.

Funds from the HTF are awarded as block grants to states and distributed by a statutory formula based on four factors that consider renter household needs only. Seventy-five percent of the value of the formula goes to two factors that reflect the needs of ELI renters. The other two factors relate to the renter needs of very low-income households – households with income between 31% and 50% of AMI. A state may choose to award up to 10% of its annual HTF allocation to homeowner activities, though to date no state has done so.

When it was established in 2008, the HTF was the first new housing resource since 1974 targeted to building, preserving, rehabilitating, and operating rental housing for extremely low-income people. Starting in 2000, NLIHC, its members, and other stakeholders played a critical role in the creation of the fund and continue to advocate for increases to annual HTF funding. Since 2016,

when the first \$174 million of HTF dollars were allocated to states, HTF allocations have grown to \$219 million (in 2017), \$267 million (in 2018), \$248 million (in 2019), \$323 million (in 2020), and \$690 million (in 2021), \$740 million (in 2022), and \$382 million (in 2023).

Read HUD's media release on the allocation at: <https://bit.ly/3NWmTnR>

Read more about the HTF on [page 3-1](#) of NLIHC's *2023 Advocates' Guide*, and on NLIHC's two HTF webpages, one providing [basic information](#), and another providing [state-specific information](#).

Find HUD's HTF website at: <https://www.hudexchange.info/programs/htf>

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## **Budget and Appropriations**

### **Default Deadline Draws Near, Congressional Leaders and President Biden Meet Tuesday – Take Action!**

President Joe Biden is expected to meet tomorrow (May 9) with the “four corners” Congressional leaders – U.S. House of Representatives Speaker Kevin McCarthy (R-CA), House Minority Leader Hakeem Jeffries (D-NY), U.S. Senate Majority Leader Chuck Schumer (D-NY), and Senate Minority Leader Mitch McConnell (R-KY) – for the first of what will likely be many conversations regarding the raising of the federal debt ceiling. The meeting comes after U.S. Department of the Treasury (Treasury) Secretary Janet Yellen announced that the federal government would exhaust its “extraordinary measures” and breach the debt ceiling as soon as June 1.

House Republicans passed on April 26 the “Limit, Save, and Grow Act” ([H.R.2811](#)), a Republican proposal to lift the federal debt ceiling in exchange for cutting federal domestic spending for fiscal year (FY) 2024 to FY22 levels, which would result in at least a 23% reduction in funding for key programs, depending on how cuts are designed. 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 or impose harsher work requirements for some anti-poverty programs. In exchange for these drastic proposals, 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 of having to restart debt ceiling negotiations all over again next year.

More than a dozen Senate Republicans [rallied](#) behind Speaker McCarthy's bill at a May 3 press conference on Capitol Hill, voicing their support for the House Speaker's call for making deep cuts to domestic spending and increasing burdensome work requirements. The White House, along with Democratic leadership in the House and Senate, is pushing for a “clean” increase to the debt ceiling and maintains that the debt ceiling and FY24 spending should be negotiated separately. Nearly 200 Democrats in the House signed on to an April 26 [letter](#), led by House Committee on Budget Ranking Member Brenden Boyle (D-PA), Congressional Progressive Caucus Chair Pramila Jayapal (D-WA), and New Democrat Coalition Chair Annie Kuster (D-

NH), to House Republican leadership calling on their Republican colleagues to enact a “clean” debt ceiling increase.

While House Republicans’ debt ceiling legislation will not pass the Democrat-controlled Senate as it is currently written - the proposal is being billed by some as an “opening bid” for negotiations. Some moderate Democrats have softened their opposition to some of the bill’s provisions, noting that provisions like work requirements and spending caps could be areas where common ground could be found.

If enacted, the proposal would make it impossible for HUD to stave off mass evictions, according to a [letter](#) from HUD Secretary Marcia L. Fudge to House Committee on Appropriations Ranking Member Rosa DeLauro (D-CT). In the letter, the Secretary suggested that drastic cuts to HUD’s programs would 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 that nearly 120,000 fewer people experiencing homelessness would receive services.

Capping future spending at a paltry 1% per year would likewise have a tremendously negative impact on the people served by affordable housing and homelessness programs. These programs must receive increased funding from one year to the next just to maintain the number of households being served. Even after 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.” Indeed, HUD’s cumulative appropriations since FY2010 are [still slightly lower](#) than they would be had annual appropriations remained at FY2010 levels and been adjusted only for inflation.

## **Take Action**

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 in the following ways:

- [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!

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## **HoUSed Campaign for Universal, Stable, Affordable Homes**

### **“Spring into Action” with NLIHC to Oppose Budget Cuts!**

NLIHC’s “Spring into Action” mobilization effort begins today (May 8)! For the next two weeks, we urge advocates to join us in mobilizing to oppose deep budget cuts and push Congress to invest in affordable housing and homelessness programs at the scale needed!

Be creative! Make a visual art piece, write a haiku, record a video, highlight data showing the impact of proposed cuts, or come up with your own idea to educate congressional leaders about why affordable housing and homelessness programs are essential to your community and how proposed budget cuts would harm your family and neighbors. Then post your work on social media using the hashtags #CutsHurt and #SpringIntoAction between today and May 19, being sure to tag your member of Congress and @NLIHC!

NLIHC is also offering additional 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](mailto:outreach@nlihc.org).

Please contact [outreach@nlihc.org](mailto:outreach@nlihc.org) with questions.

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## **Join Today’s (May 8) National HoUSed Campaign Call for Universal, Stable, Affordable Homes!**

[Join](#) today’s (May 8) national HoUSed campaign call from 2:30 to 4 pm ET. Natasha Duarte and Mariah de Leon of Upturn will overview ways for advocates to weigh in on tenant screening regulations being considered by the Federal Trade Commission and the U.S. Consumer Finance

Protection Bureau. Christina Stacy of the Urban Institute will discuss the connections between land-use reform and housing costs. NLIHC's Sarah Saadian will share the latest news from Capitol Hill on debt limit negotiations and their potential impact on affordable housing and homelessness programs. We will also receive updates from the field, and more! Register for today's call [here](#).

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## Congress

### **Representatives Schiff and Clarke Introduce Interagency Council on Affordable Housing Act**

Representatives Adam Schiff (D-CA) and Yvette Clarke (D-NY) introduced the “Interagency Council on Affordable Housing Act” ([H.R.2974](#)) in the U.S. House of Representatives on April 27. The bill would establish an Interagency Council on Affordable Housing and Preservation, like the existing U.S. Interagency Council on Homelessness, dedicated to developing federal policy to preserve and strengthen existing affordable housing, public housing, and federal housing voucher assistance programs. NLIHC has endorsed the bill.

The Interagency Council on Affordable Housing and Preservation would conduct research and develop recommendations to preserve and expand the supply of affordable housing, increase fairness in the rental market, and advance fair housing principles. The dedicated council would develop policies to address the country's affordable housing crisis and protect low-income renters living in federally assisted housing.

“With housing prices through the roof, millions of Americans struggle to find a home they can afford, or to stay in the one they have now,” said Representative Schiff. “We must find new and innovative ways to bring down the cost of housing and make it more affordable for people. That is why I'm introducing the Interagency Council on Affordable Housing Act to find solutions and expand the availability of affordable housing.”

“Housing is a human right, and Congress has a vital responsibility to protect it. Our nation's dire affordable housing crisis will continue to reach communities across the country if we don't act with deliberate urgency,” said Representative Clarke. “Through a new dedicated interagency council, we will ensure every American family relying on housing assistance – whether it be voucher programs, eviction defense programs, rent gouging prevention, or other meaningful programs – maintains the federal aid they need to stay housed, safe, and stable.”

Read the bill text at: <https://bit.ly/3LN2rE8>

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### **Senate Banking, Housing, and Urban Affairs Committee Holds Hearing on Rural Housing Legislation**

The U.S. Senate Committee on Banking, Housing, and Urban Affairs' Subcommittee on Housing, Transportation, and Community Development [held a hearing](#), "Rural Housing Legislation," on May 2. Senator Tina Smith (D-MN), chair of the Subcommittee, highlighted her "Rural Housing Service Reform Act" ([S.1389](#)), which would allow rental assistance to be "decoupled" from properties with maturing U.S. Department of Agriculture (USDA) mortgages, among other provisions. Rural housing experts testified regarding the impact of the legislation, the challenges facing rural renters, and the implications of the maturing mortgage crisis and lack of rural renter protections. Witnesses included Anne Mavity, executive director of the Minnesota Housing Partnership and NLIHC board member; David Lipsetz, president and CEO of the Housing Assistance Council (HAC); Natalie Maxwell, managing attorney at the National Housing Law Project (NHLP); Christopher Potterpin, president of the Council for Affordable and Rural Housing (CARH); and Dianne Hunt, president of Syringa Property Management.

Subcommittee Chair Tina Smith (D-MN) opened the hearing by emphasizing the lack of housing in rural communities and the need to pass the "Rural Housing Service Reform Act" to support rural residents. "We have a serious shortage of housing in this country, especially in those communities," said the Chair.

In his statement, David Lipsetz endorsed the "Rural Housing Service Reform Act," especially the bill's proposal to slow the loss of rental units in the Rural Housing Service portfolio. Of the 530,000 units created by the program, more than 180,000 units have been lost. Lipsetz cited a HAC report auditing the physical condition of the Section 515 housing stock, explaining that "the report showed a multibillion-dollar backlog in roof repairs needed, window repairs, and all manner of upkeep for the properties." If enacted, the bill would permanently establish the Multifamily Preservation and Revitalization Demonstration (MPR), and Multifamily Preservation Technical Assistance, which would help address these repairs and preservation needs. Lipsetz concluded his opening statement by noting the lack of investments in rural communities compared to suburban and urban centers: "In a nation united by the belief that people are created equal, a set of federal policies that systematically focuses on some places, while ignoring the needs of others, is going to drive economic, social, and political problems that we ignore at our peril."

Anne Mavity, executive director of the Minnesota Housing Partnership and NLIHC board member, stated that Minnesota "leads the nation in the number of Section 515 properties exiting the program" and warned that as more properties leave the RHS portfolio, seniors and people with disabilities across the country are at risk of losing their housing. Mavity supported the Chair's "Rural Housing Service Reform Act" and applauded the bill's actions to improve the MPR preservation and technical assistance programs. The bill would make permanent the Native CDFI Relending pilot program and improve staff training and capacity within RHS. Mavity also supported the decoupling provisions in the bill, especially conditions on decoupling such as "permitting extension of a Rental Assistance contract for a decoupled property for 10 to 20 years subject to requirements that the property is maintained as decent, safe, and sanitary and rents remain restricted, among other conditions."

Christopher Potterpin, president of CARH, spoke of the urgent need to assist low-income rural renters by decoupling rental assistance from properties with maturing mortgages (those leaving the USDA portfolio). "The lack of affordable housing reflects the lack of investment in these



localities more broadly. Rural renters are more than twice as likely to live in substandard housing, and with lower median incomes and higher poverty rates than homeowners, many renters are simply unable to find decent housing,” said Potterpin. The Council for Affordable and Rural Housing also endorsed Chair Smith’s “Rural Housing Service Reform Act” and endorsed improvements to the Low-Income Housing Tax Credit program, as proposed in the “Affordable Housing Credit Improvement Act.” (See NLIHC’s LIHTC recommendations [here](#).)

Natalie Maxwell, managing attorney with NHLP, noted that housing and rental assistance provided by the Rural Housing Service “has historically been a critical source of safe, decent, affordable housing” in rural communities, but the number of units poised to exit the housing portfolio “threatens to upend the lives of the more than 560,000 renters who call Section 515 apartments home.” Maxwell also drew attention to the Section 515 program’s lack of flexibility. The subsidy amount never changes, and the families are required to pay the difference if their landlord increases rent or if the family has to move to a more costly unit. “Congress can, and must, do more to preserve these properties for families living in poverty,” said Maxwell.

When asked to speak on how reducing restrictive regulations increases the supply of multi-family housing in rural communities, Dianne Hunt focused on the tenant perspective, stating that “we need a way to keep the tenants in their homes.” In response to a question from Senator Fetterman (D-PA) about holding the program to a high standard, Natalie Maxwell noted that the “Rural Housing Service Reform Act” would stabilize families living in housing with matured mortgages who would be susceptible to losing the unit. Under the current model, the value of a USDA voucher is set at the time it is awarded and does not adjust based on income or other factors.

NLIHC supports the “Rural Housing Service Reform Act” and echoes Anne Mavity’s statement: “Like the air we breathe and the water we drink and the food that sustains us, a home is among the most basic human needs that we all have in common.” Congress should pass this legislation to more effectively serve low-income rural renters.

Watch a recording of the hearing and read the witnesses’ written statements at: <https://tinyurl.com/322v8eu4>

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## **Disaster Housing Recovery**

### **Department of Justice Refuses to Prosecute Civil Rights Violation Regarding Mitigation Funding in Texas after HUD Referral**

A recent decision by the U.S. Department of Justice (DOJ) has hampered efforts to ensure that federal civil rights law is being followed in the distribution of disaster mitigation funding in Texas, even while numerous national organizations, including NLIHC’s Disaster Housing Recovery Coalition (DHRC), have urged the federal government to move quickly to ensure compliance with the law.

In March 2022, HUD issued a civil rights determination in response to one of four complaints filed with its Fair Housing and Equal Opportunity (FHEO) office about a program undertaken by the Texas General Land Office (GLO). The determination found that the state had discriminated against non-white communities in southeast Texas when distributing mitigation funds for areas impacted by Hurricane Harvey. The funds were part of \$2.1 billion in disaster mitigation funding provided to the state and were distributed through a GLO-established competition that penalized areas with larger overall and larger non-white populations and that directed funds to rural counties with larger white populations. HUD's determination that the Texas GLO's program was discriminatory was the result of an [administrative complaint](#) filed in June 2021 by NLIHC partners Texas Housers and the Northeast Action Collective. NLIHC issued a [statement](#) in March 2022 following the announcement of HUD's determination calling it a "historic decision." NLIHC and other national organizations also sent a [letter](#) in May 2022 thanking the agency for the decision.

However, the Texas General Land Office (GLO) failed to meet a HUD-imposed deadline to respond to a request by HUD to enter into an agreement to fix aspects of the state's plan to distribute HUD disaster mitigation funds to county governments. NLIHC and 10 other national housing and civil rights organizations sent a [letter](#) to HUD Secretary Marcia L. Fudge on September 21 requesting that the agency suspend funding for Texas's disaster mitigation program following the state's failure to enter into negotiations after the finding of discrimination by HUD's FHEO. The letter recommended that funds be withheld until the state entered into a Voluntary Compliance Agreement (VCA) with HUD. The letter also recommended that the case be referred to the U.S. Department of Justice (DOJ) for further action.

Thanks to pressure from local, state, and national groups, including the DHRC, HUD finally referred the matter to DOJ, nine months after the GLO failed to meet HUD's deadline for negotiations. However, just two days later, DOJ announced that it would not be taking any action on the matter, referring it back to HUD while citing a related and ongoing "Fair Housing Act" investigation and urging HUD to continue seeking voluntary compliance from Texas. The DOJ's response was signed by Assistant Attorney General Kristen Clarke, who heads the agency's Office of Equal Rights.

"We urge HUD and DOJ to move quickly to resolve the remaining investigation and if necessary to move to enforcement in order to cure the discrimination that the state of Texas has engaged in," said Ben Martin, Research Director at Texas Housers, a member of the DHRC, in a news article [announcing](#) the DOJ response. "Also, both DOJ and HUD have urged the state to participate in voluntary negotiations to resolve the matter and to get desperately needed assistance to the communities who were discriminated against. We stand ready to act to resolve this issue."

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## **Senate Banking Committee Holds Hearing on Reforms to National Flood Insurance Program**

The U.S. Senate Committee on Banking, Housing, and Urban Affairs held a [hearing](#) concerning the National Flood Insurance Program (NFIP) on May 2. The hearing, "Reauthorization of the

National Flood Insurance Program: Improving Community Resilience,” featured as witnesses Dr. Carolyn Kousky, associate vice president for economics and policy at the Environmental Defense Fund; Roy Wright, president and CEO of the Insurance Institute for Business & Home Safety; and Patty Hernandez, executive director of Headwaters Economics. The hearing follows a similar [hearing](#) held by the U.S. House of Representatives’ Committee on Financial Services in late April.

The NFIP is a government-sponsored provider of insurance for flooding specifically. Because of the threat of repeat flooding, many private insurance companies find it difficult to maintain policies regarding flood risk, which initially prompted the creation of the FEMA-run NFIP. In recent years, the program has suffered from significant amounts of debt, a lack of affordability provisions for households with low incomes, and confusion about flood mapping and mandatory requirements for purchasing.

Questions from members of the Committee focused on the mechanics of forgiving the program’s substantial amount of debt (a requirement if the program is to be kept afloat); ensuring that resilience standards are being implemented along with flood insurance coverage; and methods for deploying mitigation funding before disasters impact an area. Senator Elizabeth Warren (D-MA) asked specifically about the program’s failure to collect data on the race and ethnicity of policy holders. The absence of such data makes it impossible to analyze potential discrimination in the program.

Listen to the hearing at: <https://bit.ly/3VACgnu>

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## **FEMA Releases Five-Year Data Strategy**

FEMA’s Data Management Branch released a five-year [data strategy](#) in March in an effort to modernize how FEMA personnel share data across the myriad divisions and branches of the agency. The document outlines efforts to better use data to make strategic decisions regarding the response to and recovery from disasters and ensure data are being effectively used to analyze current policies and better codify access and data security responsibilities for FEMA personnel.

The agency has long been faulted for a culture that stifled internal data sharing, resulting in important information being “siloed” in different departments. The new data strategy plan calls for transforming this culture into one that encourages securely sharing information internally. The plan acknowledges that such a change would take time to bring about. “As an agency, the default thinking should be that FEMA data is safe to share unless law, regulation, or policy says otherwise,” reads a portion of the plan. “Acknowledging that this is a significant change to existing philosophy, culture will evolve over time and data will not be opened immediately and without regard for consequences.”

While struggles over the management of FEMA’s internal data impact the ability of FEMA personnel to plan and respond to disasters, the inability to access information on disaster recovery program outcomes and other data sets have also long frustrated advocates and members of disaster-impacted communities. Although agencies such as HUD maintain public data licensing processes to allow academic and research institutions to make use of program data

when researching federal programs, FEMA has no such equivalent process. Although the plan is largely aimed towards internal data sharing, it does hint at increasing the level of data being shared externally in an accessible way, saying “much of FEMA’s data can and should be made public in accessible, machine-readable formats for the American people to make use of.”

The NLIHC-led [Disaster Housing Recovery Coalition](#) and NLIHC’s Disaster Recovery Research Consortium will continue to pursue greater access to disaster recovery data for advocates and academic and research institutions.

Read the report at: <https://bit.ly/3AYWPkg>

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## **Disaster Housing Recovery Update – May 8, 2023**

### **Administrative, Congressional, and National Updates**

President Biden has issued an [executive order](#) aiming to revitalize the nation’s commitment to environmental justice. The order directs the U.S. Environmental Protection Agency (EPA) administrator to begin a proactive examination of barriers to environmental justice across the nation and, among other items, requires federal agencies to “identify, analyze, and address barriers related to Federal activities that impair the ability of communities with environmental justice concerns to receive equitable access to human health or environmental benefits, including benefits related to natural disaster recovery and climate mitigation, adaptation, and resilience.”

Federal lawmakers in California’s Bay Area [continue to press](#) for the inclusion of a bipartisan disaster recovery package to assist farmers and ranchers devastated by heavy winter storms in the region. Representatives Zoe Lofgren, Salud Carbajal, Jimmy Panetta, and Jim Costa of the U.S. House of Representatives penned [letters](#) to Speaker Kevin McCarthy (D-CA) requesting a package in late April.

Representative Yvette Clarke (D-NY) introduced the “Department of Homeland Security Climate Change Research Act” in the U.S. House of Representatives. The bill [would put](#) the U.S. Department of Homeland Security’s Science and Technology Directorate in the leading role for researching the impacts of climate change.

Despite championing harmful budget cuts that would gut anti-poverty programs, Senator Cindy Hyde-Smith (R-MS) pushed HUD Secretary Marcia L. Fudge to [ensure](#) an allocation of HUD long-term recovery funds for tornado-impacted areas of Mississippi during a HUD budget hearing held by the U.S. Senate Committee on Appropriation’s Subcommittee on Transportation, Housing, and Urban Development.

Senator Steve Daine (R-MT) and Senator Dianne Feinstein (D-CA) [announced](#) the creation of a bipartisan Senate Wildfire Caucus. The caucus will focus on bipartisan ways to support forest fire mitigation and fire departments and to address the risk of wildfire across the country.

In a pair of op-eds published in *The Hill*, environmental, energy, and finance experts discussed how climate change can [destabilize](#) household finances and called for greater [mitigation investments](#) in flood zones.

May is [Building Safety Month](#). The International Code Council will be providing fact sheets, information, and advocacy opportunities throughout the month focusing on building safety.

## State and Local Updates

### California

The effort to [rebuild](#) Journey's End, a set of senior apartments in Santa Rosa razed by the Tubbs Fire, is making significant headway. Although the majority of the units will be subsidized, some market rate units will also be included.

### Delaware

Residents of Wilmington have [banded together](#) to create a climate resilience hub focused on community engagement and climate change disaster readiness. The community-led effort grew out of grassroots efforts undertaken following Hurricane Ida.

### Florida

President Biden [issued](#) a disaster declaration for Broward County after the area experienced severe flooding from April 12 to 14. The declaration directs FEMA to provide Individual Assistance to eligible impacted households who are able to complete and then successfully appeal their application when denied.

After being hit by Hurricane Ian in 2022, Lee County is now [preparing](#) to receive substantial HUD long-term recovery funding. The process includes the creation of an action plan for spending the funds and a series of public information and feedback sessions.

Although the recent Florida Legislative session was marked by the introduction of deeply problematic, authoritarian legislation, it was able to [pass a suite](#) of disaster recovery bills, including several that bolster the ability of residents to remain on their properties following disasters and provide temporary shelters for recovery workers.

A proposed temporary housing site for Hurricane Ian survivors in Cape Coral was [scrapped](#) by FEMA after it became clear that infrastructure and regulatory requirements would prevent creation of the site until after the deadline for assistance had expired.

### Iowa

Iowa Governor Kim Reynolds [issued](#) a disaster proclamation in two counties in response to Mississippi River flooding. Impacted households in Allamakee and Muscatine are now eligible for the state's Individual Assistance program, which provides up to \$5,000 in disaster assistance.

### Kentucky

Applications are [now available](#) for local governments, nonprofits, private companies, and other groups to apply for \$124 million in HUD-allocated housing funding on May 1 for areas impacted by 2021 tornados in the western portion of Kentucky.

## **Louisiana**

Community leaders in Baton Rouge [met last month](#) to discuss housing solutions that could be implemented with federal disaster recovery funds that are to be disbursed to the city.

The American Red Cross [announced](#) a partnership with Terrebonne General Health System and Terrebonne Churches United Food bank to help people in Houma cope with the increasing frequency and intensity of disasters.

## **Mississippi**

Of the 1,906 homes damaged during a tornado outbreak in Mississippi in March, 1,476 were located in Monroe County. The [lack of available housing](#), more than the need for housing funding, is significantly impacting disaster survivors' ability to relocate from shelters and hotels. Tornado survivors still reeling from their experiences are now attempting to navigate the system and find available shelter.

## **Nevada**

President Biden [approved](#) a major disaster declaration for several areas of Nevada following storm and flood damage earlier this month. Members of the Nevada Congressional Delegation had called upon President Biden to provide additional assistance.

## **New Mexico**

After a prescribed burn begun by the U.S. Forest Service ignited the largest wildfire in recent history in New Mexico, disaster survivors are finding it [difficult](#) to access and use housing assistance offered by FEMA. Various requirements regulating the placement of FEMA housing have meant that many survivors are being forced to live in substandard housing amidst the wreckage of their former homes.

## **Oklahoma**

The White House [approved](#) a request by Oklahoma Governor Kevin Stitt requesting federal disaster relief after a tornado struck the town of Shawnee in April. The approval includes Individual Assistance by FEMA for impacted households able to apply and successfully appeal application denials. The state was impacted by several tornados and recovery efforts are ongoing.

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## **Tenant Protections**

### **More States and Localities Pass Right-to-Counsel Legislation**

Since 2017, [three states and 15 cities](#) have passed right-to-counsel protections for tenants – an impressive achievement given that no jurisdiction had enacted such a right prior to 2017. Since the beginning of the pandemic, right-to-counsel (RTC) policies have gained popularity, and [11 states](#) and dozens of localities have passed or are working to pass right-to-counsel policies this legislative season.

Several states have introduced legislation in recent months that would create RTC programs. Illinois, Massachusetts, Minnesota, Nebraska, New York, Ohio, Oklahoma, Rhode Island, and South Carolina have introduced bills that would enable full legal representation for tenants whose household income is below a certain threshold. Massachusetts’s legislation – “[HB 1731](#)” / “[SB 864](#)” – would also apply to owner-occupants of one-to-three unit buildings, while its bill “[HB 2748](#)” would create a “Housing First and Housing for All Fund” to be used to support RTC or other legal representation in eviction cases. Illinois’s “[HB 3709](#)” would phase in an RTC program as well as create a landlord registry, tenant’s bill of rights, and other measures aimed at addressing the shortage of safe and affordable housing.

Officials in Jersey City, New Jersey, introduced a right-to-counsel ordinance (“[Ord. 23-030](#)”) on April 12 that would pay for legal representation for tenants who earn up to 80% of area median income (AMI) and be funded by a fee on market-rate residential development (1.5% of a project’s assessed value). [A portion of the fee](#) would go to the city’s affordable housing trust fund and 20% would be used to fund the RTC program, generating \$4 million annually and providing representation for 1,500 residents.

Some states and localities that have existing tenant RTC programs are seeking to increase revenue for the programs so they can provide services to more qualified tenants. Maryland Governor Wes Moore signed “[HB 200](#)” into law on April 24, for example. The bill appropriates \$3.5 million in general funds for the Maryland Legal Services Corporation to provide increased tenant RTC services. Likewise, Connecticut’s lawmakers introduced “[SB. 81.](#)” which would continue funding for the current program, and “[HB 6108](#)” / “[SB 941.](#)” which would expand the program to distressed municipalities as identified by the state’s Department of Economic and Community Development.

Cities have also made progress passing RTC legislation. In a special session, the Detroit City Council voted to approve [\\$12 million](#) for the City’s program, bringing the total budget to \$18 million over three years. The City of Long Beach extended its contract with Los Angeles County and [Stay Housed LA](#), providing [\\$200,000 to support increased legal services](#) for eligible tenants through June or until funds run out. Legal services providers in New York City [are asking for an additional \\$351 million](#) above what is currently budgeted to ensure that providers can recruit, train, and pay attorneys fairly, caseloads are manageable and allow for effective full representation, and every eligible tenant in the city knows about the right. The [Right to Counsel NYC Coalition](#) is also pushing for the enactment of “[A.4993](#)” / “[S.3254.](#)” which would require courts to adjourn cases where eligible tenants have not yet been provided counsel.

Find more information about right-to-counsel legislation at: <http://civilrighttocounsel.org/map>

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## Rural Housing

### Senators Smith and Rounds Introduce Rural Housing Service Reform Bill

Senators Tina Smith (D-MN) and Mike Rounds (R-SD) [introduced](#) the “Rural Housing Service Reform Act of 2023” ([S.1389](#)) in the U.S. Senate. The bill would aim to improve the housing programs administered by the U.S. Department of Agriculture’s Rural Housing Service (RHS) through several reforms, including decoupling rental assistance from maturing mortgages, permanently establishing the Multifamily Housing Preservation and Revitalization Demonstration (MPR), making permanent the Native CDFI Relending pilot program, and improving staff training and capacity within RHS. NLIHC supports the bill.

The bill represents the culmination of the work of Senators Smith and Rounds as Chair and Ranking Member, respectively, of the Senate’s Subcommittee on Housing, Transportation, and Community Development. The Subcommittee held [hearings](#) and requested public [input](#) on the RHS programs last year. The bill includes several recommendations from NLIHC, including some listed in a letter sent to the Subcommittee by the National Housing Law Project last year (see [Memo, July 11, 2022](#)). The “Rural Housing Service Reform Act” was highlighted during a Housing Subcommittee hearing on May 2, during which rural housing experts testified. Natalie Maxwell, managing attorney for the National Housing Law Project, [testified](#) in support of the bill and gave recommendations for the bill’s further improvement.

Read the bill text and see its cosponsors at: <https://bit.ly/3AY8EXP>

Read a press release on the bill at: <https://bit.ly/42qc55i>

Read NHLP’s testimony at: <https://bit.ly/3NGeSTI>

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## Other Housing Issues

### White House and HUD Release New Resources to Support Successful Reentry for People Exiting Incarceration

The White House released on April 28 the “[White House Alternatives, Rehabilitation, and Reentry Strategic Plan](#),” a multi-year strategy to improve rehabilitation efforts in carceral settings and support successful reentry for people exiting incarceration.

The plan coordinates reentry efforts across federal agencies, with the goal of expanding access to resources essential to successful reentry, including “secure access to safe and affordable housing,” as well as healthcare, food assistance, and educational and employment opportunities. Among other projects, the plan highlights HUD’s initiative to address unsheltered homelessness (see [Memo, 6/27/22](#)); efforts by the White House Domestic Policy Council (DPC) and the U.S. Interagency Council on Homelessness (USICH) to encourage communities to de-criminalize homelessness and instead adopt a [Housing First](#) approach; and forthcoming updates to HUD



regulations and guidance to ensure people with conviction and arrest histories are fairly, individually, and holistically screened for housing.

An estimated one in three Americans has some type of criminal record, including convictions for minor offenses and arrests that never resulted in conviction. Bias inherent in the criminal-legal system has caused people of color – and particularly Black, Latino, and Native people – as well as people with disabilities and members of the LGBTQIA+ community, to be disproportionately represented in the criminal-legal system.

Formerly incarcerated and convicted people face a myriad of barriers to successful reentry, including accessing affordable housing. Public Housing Authorities (PHAs) and owners of federally assisted housing have broad discretion when it comes to screening out applicants with records or precluding returning citizens from rejoining their families. In the absence of affordable housing, people impacted by the criminal-legal system are at a significantly greater risk of housing instability, homelessness, and ultimately recidivism.

HUD Secretary Marcia L. Fudge announced in April 2022 that her department would undergo a review of existing programs and policies to identify barriers to housing access for people with conviction and arrest records (see *Memo*, [4/18/22](#)). On April 24, HUD released an [outline](#) of its “Action Plan to Remove Unnecessary Barriers to Housing for People with Criminal Records,” which includes best practices for tenant screening, such as:

- Preventing blanket denials on applicants with conviction records.
- Not screening for convictions or other records that are unlikely to impact an individual’s ability to be a good tenant, such as arrest records, sealed or expunged records, older convictions, and convictions not involving harm to persons or property.
- Using individualized assessments for evaluating candidates that consider factors like employment, engagement in drug or alcohol treatment, and the totality of circumstances surrounding a conviction.
- Providing applicants the opportunity to offer mitigating evidence before an admissions decision is made.

HUD is expected to release updated guidance and technical assistance for PHAs and project owners in the coming months. In anticipation of the guidance, HUD released on May 5 “[Homecoming: Life After Incarceration](#),” a multimedia project highlighting the challenges faced by people with conviction histories in finding housing and undertaking successful reentry. The project showcases the voices and experiences of people with conviction histories, as well as examples of organizations leading the way in successful reentry.

Read the “White House Alternatives, Rehabilitation, and Reentry Strategic Plan” [here](#), and view the factsheet [here](#).

See HUD’s “Homecoming: Life After Incarceration” [here](#).

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## Events

### **NHLP to Host Webinar Overviewing Recent HOTMA Changes Affecting Income Calculation and Recertification**

The National Housing Law Project (NHLP) will hold a webinar on May 18 to review three new sets of regulation changes arising from the “Housing Opportunity through Modernization Act of 2016” (HOTMA). Changes to Section 102 of the act affect how assisted households’ income and assets are calculated in order for them to gain admission to and remain in assisted housing. Changes to Section 103 of the act incorporate a new rule for public housing households whose income exceeds the maximum allowed (the “over-income” provision). Changes to Section 104 provide guidance regarding recertifying a household’s income. Most of the changes will take effect on January 1, 2024. NHLP’s free webinar will take place on May 18 at 2 pm ET. The session will be close-captioned and recorded. Register [here](#).

The changes affect residents assisted through the following HUD programs: the Public Housing, Housing Choice Voucher (HCV), Section 8 Project-Based Rental Assistance (PBRA), Section 202 Supportive Housing for the Elderly, Section 811 Supportive Housing for Persons with Disabilities, HOME Investment Partnerships (HOME), and national Housing Trust Fund (HTF) programs.

For a preview of the provisions, see *Memo*, [2/27](#). The [final rule](#) implementing all but one of the remaining provisions of HOTMA was published in the *Federal Register* on February 14. This followed the posting by HUD of a preview version on January 31 (see *Memo*, [2/6](#)). While other HOTMA provisions were previously implemented (see *Memo*, [10/13/20](#)), Sections 102, 103, and 104 still required formal public review and comment prior to implementation. A [proposed rule](#) to implement these provisions was published on September 17, 2019 (see *Memo*, [9/23/19](#)).

Read the formal *Federal Register* version of the final HOTMA rule at: <https://bit.ly/3IvkcGG>

Read an easier-to-read HUD preview version of the final HOTMA rule at: <https://bit.ly/3WZjK7k>

Find HUD’s Office of Public and Indian Housing HOTMA webpage at: <https://bit.ly/3XTanHv>

Find HUD’s Office of Multifamily Housing HOTMA webpage at: <https://bit.ly/3wJI9Dp>

More information about HUD programs affected by the proposed rule is available in [Chapter 4](#) of NLIHC’s *2023 Advocates’ Guide*.

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## Opportunity Starts at Home

### **OSAH Campaign Sends Letter to Congress Urging Leaders to Reject Budget Cuts**

The Opportunity Starts at Home (OSAH) campaign sent a letter to Congress on April 21 urging congressional leaders to reject any proposal to cut domestic spending, including investments in affordable housing and homelessness, or to reduce housing benefits by imposing arbitrary time limits, work requirements, or rent increases. Signatories of the letter included 31 leading national organizations from an array of sectors, such as the Catholic Health Association of the United States; CenterLink: The Community of LGBT Centers; Maternal Mental Health Leadership Alliance; Poverty & Race Research Action Council; National Education Association; and UnidosUS. Read the letter [here](#).

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## **From the Field**

### **Join NLIHC's 2023-24 Tenant Leader Cohort!**

NLIHC is currently recruiting members for the 2023-2024 Tenant Leader Cohort. The Cohort is a group of tenant advocates and community leaders with lived experience of housing insecurity who work towards housing justice and racial equity in their neighborhoods and greater communities. NLIHC collaborates with the Tenant Leader Cohort to inform our policy priorities so that they best reflect the needs of low-income renters. To express your interest in joining the 2023-2024 Cohort, please fill out this [interest form](#).

NLIHC launched the inaugural Tenant Leader Cohort in 2022. The group is made up of advocates across the country who have been involved with NLIHC's federal housing policy advocacy in the past, as well as those who are newer to NLIHC's work and mission but have been advancing the goal of housing justice in their own communities. In October 2022, NLIHC convened its first Tenant Leader Retreat in Albany, Georgia, where members focused on racial trauma and healing and helped formulate tenant protection policy priorities and ideas for NLIHC's most recent Housing Policy Forum, held in March of this year.

In November 2022, members of the Tenant Leader Cohort were invited to participate in a White House conversation on tenant protections, joining legal aid providers, people with lived expertise, advocates, and researchers. At the meeting, tenant leaders were able to provide feedback on the policies in place that affect their communities and suggest ways to improve tenant protections and advance housing equity.

During the Housing Policy Forum in March, several Cohort members took part in a fireside chat with HUD Secretary Marcia L. Fudge, sharing with the Secretary the Cohort's top policy priorities for the federal government, including fair housing, environmental justice, addressing veteran homelessness, broadening mental health services, pursuing eviction prevention, and strengthening Section 3 to expand economic opportunities for tenants.

If you are interested in becoming a part of NLIHC's 2023-2024 Cohort, please fill out this [interest form](#). NLIHC will also host an information session about the Cohort on Tuesday, May 9, at 4 pm ET. Join the session using this link: <https://us02web.zoom.us/j/86167856246>. Selections for the cohort will be made on an ongoing basis through early summer 2023.

Read more about the Tenant Leader retreat [here](#).

Read more about the Tenant Leader Cohort's visit to the White House [here](#).

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## **Philadelphia Settles Lawsuit with Property Owner to Retain Affordable Housing, Relocate Displaced Residents Following Years of Resident Organizing**

The City of Philadelphia reached an [agreement](#) with IBID Associates on March 17 to transfer part of IBID's property to the City to be redeveloped as affordable homes and provide \$3.5 million to temporarily relocate the 70 households currently living in the University City (UC) Townhomes. When faced with the sale of the property to a new owner who planned to demolish and redevelop it, residents [came together](#) with other allies to halt the sale and ensure measures were put in place to prevent their displacement from the homes and neighborhood where they had lived for decades. While the settlement addresses some of their concerns, residents plan to continue organizing to secure additional protections and commitments from the City and other stakeholders.

According to information made available by the [Save the UC Townhomes Coalition](#), the UC Townhomes was a Project-Based Section 8 property built in 1983 in what had been an historically Black neighborhood in West Philadelphia called the [Black Bottom](#). IBID's subsidy contract with HUD, which ensured the units were affordable to low-income residents, expired on July 8, 2022. Rather than maintain the property as affordable housing, the owner decided to sell it for redevelopment. Tenants were given notice that they would have to move out and would receive housing vouchers to use to rent other apartments. But when it came time to transfer the property to the new owner, not all tenants had received their vouchers and those who had were finding it extremely difficult to rent a similar apartment in the same neighborhood. Councilmember Jami Gauthier [stepped in](#) and introduced a bill that effectively halted the sale and demolition of the existing property. In response, IBID sued the City for infringing on its property rights.

For over a year, UC Townhomes residents and allies organized protests and direct actions targeting IBID owners and the potential new developer, including a 31-day [encampment](#) at the "People's Townhomes." They clarified their [demands](#) and [engaged](#) faith, labor, and other leaders to support their efforts. They met with dozens of public officials and others to learn about strategies to preserve their homes, including HUD Secretary Marcia L. Fudge. They proposed a plan to purchase the site themselves, and when the owners refused to sell the entire property, residents shifted their strategy to preserving a portion of the site for affordable homes.

The [terms](#) of the settlement transfer approximately 20% of the property to the City of Philadelphia to redevelop as 75 affordable homes. The written terms indicate all units must be affordable to households at 60-80% of the area median income (AMI), which is higher than the 30% AMI that residents have persistently demanded. While a spokesperson for the City's Law Department told the [press](#) it will pursue additional housing subsidies to achieve deeper affordability, no such written commitment has been made despite repeated requests from

residents. The settlement includes a tenant compensation fund of \$3.5 million, \$50,000 per household, to be administered by the United Way. In addition to the settlement, [local anchor institutions](#) including the University of Pennsylvania and Drexel University have stated that they will contribute some funds for resident support services, such as financial counseling and legal aid.

At a [press event](#) on April 21, UC Townhomes Resident Council members recounted the victories won through the settlement, summarized the resident-led organizing that resulted in this outcome, clarified the terms of the settlement as they relate to the list of their demands, and reiterated their vision for an equitable and inclusive redevelopment process. They issued the following demands to the City of Philadelphia and local universities, as shared with NLIHC by Sheldon Davids, the UC Townhomes resident leader:

1. “To start – residents MUST be at the table with the city as they decide the next steps. No development for us.... WITHOUT US.
2. We want a written commitment from the City that guarantees a ‘Right to Return’ with a housing subsidy for current and former residents. This is not currently written in to the settlement terms.
3. A written commitment to work with the residents on the redevelopment of the preserved site and a commitment to get resident input on the design and developers of any future site.
4. [Making homes affordable to households at or below] 30% AMI and a property that makes sure there’s access for seniors and persons with disabilities.
5. A commitment to resident control and governance of any future site.
6. We are demanding the University of Pennsylvania and Drexel University address the displacement of historically Black communities by contributing funds toward this future development and other sites in the area.
7. We are also continuing to call on the Universities to work with the city to secure housing close by for displaced residents. We don’t want talk – we must have action.”

The loss of affordable homes due to expiring federal subsidies is a growing crisis across the U.S. *The National Housing Preservation Database*, a joint project of NLIHC and the Public and Affordable Housing Research Corporation, estimates that [327,565 units](#) of publicly supported rental homes with affordability restrictions will expire in the next five years, including 1,700 in [Philadelphia](#). NLIHC and our partners work to raise awareness of this issue and direct more federal and state funding for the long-term preservation of deeply affordable housing. To learn more about preservation risks to the federally-assisted housing stock and recommended policy solutions, read [Picture of Preservation 2021](#).

Find more information about the Save the UC Townhomes Coalition at: [savetheuctownhomes.com](http://savetheuctownhomes.com).

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**NLIHC Invites Cover Art Submissions for Summer Edition of *Tenant Talk!***

NLIHC invites artistically inclined advocates (and anybody else!) to [submit your original artwork](#) for a chance to be featured on the cover of this summer's edition of *Tenant Talk*! Entries should address the theme of this summer's edition: the role of LGBTQ+ issues in housing and homelessness. The deadline for submissions is Friday, May 26, and participants must be 18 or older. The winning submission will be featured on the cover of the forthcoming edition of *Tenant Talk*, and its creator will be awarded \$250. Submissions can be made [here](#). Please contact [outreach@nlihc.org](mailto:outreach@nlihc.org) with any questions.

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## Research

### **New Paper Finds States Have Little Influence on Locations of 4% LIHTC Properties**

A paper published in *Housing Policy Debate*, "[A Missed Opportunity? The 4% Low-Income Housing Tax Credit Program](#)," reveals that states have little control over the location of 4% Low-Income Housing Tax Credit (LIHTC) properties. The author finds that policy levers do not impact the location of 4% tax credit projects, as they do with 9% units. This finding is due largely to the fact that 9% tax credits are more competitive and provide a far greater subsidy than 4% tax credits. However, increasing competition for the 4% review process was shown to make policy levers more effective. The author recommends that states introduce additional threshold requirements and provide more meaningful incentives in order to exert greater influence over the development locations.

The author examines the Qualified Action Plans of all 50 states. These plans outline the guidelines that states use to award federal tax credits and to identify policy levers that encourage desegregation and access to opportunity. The author also evaluates tax-exempt bond regulations at the state level, which are often used to supplement funding for 4% LIHTC projects, and general state housing plans. The paper focuses on two allocation cycles, using the 2005 and 2016 regulations and the corresponding siting outcomes spanning from 2005 to 2007 and 2016 to 2018, respectively.

The analysis of the Qualified Action Plans revealed that the number of 4% tax credits promoting investment in impoverished neighborhoods increased during this time, from 19 in 2005 to 26 in 2016. However, in recognition that LIHTC projects in these neighborhoods could further concentrate poverty, 14 states gave priority to 4% projects not located in high-poverty areas in 2016, up from five states in 2005. States also incentivized development in neighborhoods with higher opportunity for LIHTC projects, with 23 states having such a priority in 2016 compared to only nine states in 2005. Though states defined high opportunity neighborhoods differently, criteria might include low poverty rates, access to quality schools, and close proximity to job centers.

Despite these policy shifts, the author did not find an effect on the siting of 4% projects between 2006 and 2018. Even though there was greater prioritization of developing 4% projects in higher-opportunity neighborhoods, there was an increase in newly constructed 4% projects in higher-poverty neighborhoods, from 12.4% to 16.8%. However, as the 4% tax credit application

process has become more competitive recently, this dynamic has begun to shift. When the demand for tax-exempt bonds for 4% projects exceeded supply in 14 states in 2019, the author found that there was a significant positive relationship between incentives for projects with “access to amenities” and the number of units built in low-poverty areas.

These findings indicate that the allocation plan does not meaningfully affect the location of 4% LIHTC developments in states with non-competitive 4% allocation processes. The author suggests that states create clearer incentives and a more competitive application process for the 4% tax credits to further neighborhood revitalization and fair housing goals.

Read the paper at: <https://bit.ly/44tulML>

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## **Many LIHTC Projects Fail to Contribute to Neighborhood Revitalization Plans due to Weak Guidelines**

A forthcoming paper in the *Journal of Land Use and Environmental Law*, “[The Weakness of Neighborhood Revitalization Planning in the Low-Income Housing Tax Credit Program: Warnings from Connecticut](#),” evaluates the implementation of the federal requirement for a concerted community revitalization plan (CCRP) for Low-Income Housing Tax Credit (LIHTC) projects sited in high-poverty neighborhoods. The CCRP requirement was intended to prevent the LIHTC program from contributing to neighborhood segregation by race and income. The authors find that Connecticut granted all applicants credit for contributing to the CCRP, even though many did not integrate revitalization considerations into their applications. This finding suggests that weak state standards result in ineffective revitalization planning, showing the need for expanding CCRP guidelines.

The authors coded a sample of 43 applications for 9% tax credit projects that were sited in high-poverty neighborhoods in Connecticut over a 10-year period. Connecticut did not begin requiring standalone CCRPs until 2019 (after the study period), so the authors chose the state as a representative case of a state with minimum CCRP standards. The authors also analyzed 19 applications located in non-high poverty neighborhoods to provide points of comparison. They focused on the question of whether an application made an argument for how the project would contribute to revitalization, and if so, how. Further, they looked at whether the application considered expenditures in the neighborhood beyond the requested LIHTC funding, and if so, whether such expenditures were new investments or already existing investments. The approach aligns with the IRS’s requirement that a CCRP must have “more components than the LIHTC project itself.”

The authors found significant shortcomings in the applications, with most not even meeting the minimum IRS requirements. Most applications did not include or reference documents focused specifically on revitalization planning, with only four applications referencing plans that discussed “revitalization” or similar concepts. These plans were not provided, so it was uncertain whether they met the standards for CCRP quality. Other applications referenced existing land use or economic development plans, but it was unclear whether these plans included sections

discussing neighborhood revitalization. In this sense, the applications failed to meet the IRS's requirement for a concrete community revitalization plan.

Eighty-eight percent of the applications discussed reasons why the project would support revitalization efforts. However, most of the reasons provided would likely apply to the housing development itself. Almost two-fifths of the applications either made no mention of external investment or only referred to long-established spending, such as for existing bus services, indicating a lack of investment in the broader community (one of the aims of the CCRP provision). There were only minor differences between applications for projects that were sited in non-high poverty areas and those sited in high-poverty areas, further illustrating that the CCRP requirement did not increase revitalization planning.

Many of the applications failed to meet the IRS's basic requirements, and the authors found variations in the level of revitalization planning among applicants. However, every application requesting credit for contributing to CCRP was granted that credit by the state. These findings indicate that states with minimal guidelines for how to implement CCRP provisions are at great risk of entrenching the place-based inequities that the LIHTC statute was intended to avoid. The authors recommend that the IRS develop clear, strong CCRP requirements to ensure a minimum standard of revitalization planning.

Read the paper at: <https://bit.ly/3ny2J8y>

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## **Fact of the Week**

**Nine Percent LIHTC Projects Are Increasingly Sited in Racially Integrated and Lower-Poverty Neighborhoods Compared to 4% LIHTC Projects**



## Changes in the Distribution of New Construction Low-Income Housing Tax Credit Units by Neighborhood and Credit Type (2005-2007 to 2016-2018)



Source: Kuai, Y. (2023). A missed opportunity? The 4% Low-Income Housing Tax Credit program. *Housing Policy Debate*. Retrieved from <https://doi.org/10.1080/10511482.2023.2180651>.



Source: Kuai, Y. (2023). A missed opportunity? The 4% Low-Income Housing Tax Credit program. *Housing Policy Debate*. Retrieved from: <https://doi.org/10.1080/10511482.2023.2180651>

## NLIHC in the News

### NLIHC in the News for the Week of April 30

The following are some of the news stories to which NLIHC contributed during the week of April 30:

- “The fight to make it harder for landlords to evict their tenants” *Vox*, May 1at: <https://tinyurl.com/yc8r8f4f>
- “Midwest Rents on the Rise, While California Sees Rents Dip After 2 Years.” *The Epoch Times*, May 3 at: <https://tinyurl.com/4r6s9e5c>
- “Affordable housing units in jeopardy as funding source expiration date looms” *Real Change*, May 3 at: <https://tinyurl.com/28s647u4>
- “‘A steady deterioration’: US communities face a public housing crisis” *ABC News* May 4 at: <https://tinyurl.com/48x8atnf>

## Where to Find Us – May 8

- United Tenant Council of Councils Town Hall – Detroit, MI, May 24 (Courtney Cooperman)
  - [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)
  - Supportive Housing Network of New York Conference – New York, NY, June 29 (Diane Yentel)
  - [A Home for Everyone](#) – Oshkosh, WI, July 19-20 (Courtney Cooperman)
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### [NLIHC Staff](#)

Lilly Amechi, Policy Intern

Andrew Aurand, Senior Vice President for Research, x245

Sidney Betancourt, Housing Advocacy Organizer, x200

Victoria Bourret, ERASE Senior Project Coordinator x244

Jen Butler, Vice President of Media Relations and Communications, x239

Alayna Calabro, Senior Policy Analyst, x252

Matthew Clarke, Writer/Editor, x207

Courtney Cooperman, Housing Advocacy Organizer, x263

Lindsay Duvall, Senior Organizer for Housing Advocacy, x206

Dan Emmanuel, Senior Research Analyst, x316

David Foster, Field Intern

Ed Gramlich, Senior Advisor, x314

Sarah Gallagher, Senior Director, ERASE Project, x220

Jordan Goldstein, Communications/Graphic Design Intern

Danita Humphries, Senior Executive Assistant, x226

Nada Hussein, ERASE Project Coordinator, x264

Kim Johnson, Public Policy Manager, x243

Mike Koprowski, OSAH Campaign Director, x317

Kayla Laywell, Housing Policy Analyst, x231

Mayerline Louis-Juste, Senior Communications Specialist, x201

Khulud Mohammed, Communications/Graphic Design Intern

Steve Moore Sanchez, Development Coordinator, x209

Neetu Nair, Research Analyst, x291

Khara Norris, Senior Director of Administration, x242

Noah Patton, Senior Housing Policy Analyst, x227

Mackenzie Pish, Research Analyst

Ikra Rafi, Creative Services Manager, x246

Benja Reilly, Development Specialist, x234

Khari Reynado, Policy Intern

Gabrielle Ross, Housing Advocacy Organizer, x208  
Sarah Saadian, Senior Vice President for Public Policy and Field Organizing, x228  
Brooke Schipporeit, Manager of Field Organizing x233  
Sophie Siebach-Glover, Research Analyst, x205  
Lauren Steimle, Web/Graphic Design Specialist, x246  
Leslie Villegas, ERASE Intern  
Chantelle Wilkinson, OSAH Campaign Manager, x230  
Renee Willis, Senior Vice President for Racial Equity, Diversity, and Inclusion, x247  
Diane Yentel, President and CEO, x225  
Zak Zethner, Research Intern