HoUSed Campaign for Universal, Stable, Affordable Homes

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From the Field

- Vermont Legislature Approves Significant New Funding for Housing, Prevents Imminent Evictions by Extending Hotel Sheltering Program
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Opportunity Starts at Home

- State University of New York System Designates Staff to Assist Students without Homes

Research

- Study Finds No Link between Exploitative Management and Profit in Low-End Small Rental Properties

Fact of the Week

- Many of the Largest Occupations Do No Pay Enough to Afford Rent

NLIHC Publications

- Sign Up Now to Receive Free Copy of Upcoming Edition of Tenant Talk!

NLIHC Careers

- NLIHC Seeks Director of Operations
- NLIHC Seeks Operations Associate
- NLIHC Seeks Events Manager

NLIHC in the News

- NLIHC in the News for the Week of July 9

NLIHC News

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

**Advocates Submit More Than 1,300 Comments to FHFA on Federal Renter Protections – Submit Yours and Join NLIHC’s Support Letter!**

The Federal Housing Finance Agency (FHFA) has received more than 1,300 comments in response to its Request for Input (RFI) regarding the creation of tenant protections at multifamily properties with FHFA-backed mortgages (see Memo, 6/5). National organizations and tenant leaders are calling for a robust response to the RFI, as any renter protections created by FHFA could cover a significant share of renters across the nation. Advocates have until July 31 to weigh in with FHFA to help shape strong renter protections. NLIHC has several opportunities for tenant leaders and other advocates to engage in this process, including a [sample comment letter](#) for individual comments, an organizational [sign-on letter](#) in support of strong tenant protections, and a weekly renter protections [working group](#) to inform NLIHC’s comment letter.

Landlords and business interests have submitted dozens of comments against tenant protections. Now, it is up to tenants and advocates to voice their strong support for federal renter protections, like source-of-income protections, just cause eviction standards, and anti-rent gouging measures. Submit your comments and learn more about other tenant protections at [www.tenantcomment.org](http://www.tenantcomment.org). Organizations involved with NLIHC’s HoUSed campaign may be particularly interested in signing NLIHC’s organizational [sign-on letter](#), which focuses on a major priority in the HoUSed campaign’s policy agenda: strengthening federal renter protections. NLIHC’s renter protections [working group](#) will meet twice again this month – on July 19 and again on July 26, in both cases at 4 pm ET – to finalize NLIHC’s comment letter. NLIHC urges all organizations – local, state, and national – to join efforts to support federal renter protections by taking action.

**Take Action!**

NLIHC urges tenant leaders and other advocates to respond to relevant questions in the RFI; you do not need to respond to every RFI question, just those that you have some experience with or have ideas about. In addition to responding to the RFI questions, you can offer other suggestions for providing strong tenant protections. Remember: comments will be made public on FHFA’s website, so please do not include personal identifying information.

Take action by:

- Submitting your own comments by July 31. It is crucial that FHFA hear from you and as many tenant leaders and other advocates as possible in support of renter protections. Use NLIHC’s [sample comment letter](#) and resources from [www.tenantcomment.org](http://www.tenantcomment.org) to craft your comments and submit them using a direct portal [here](#).
- Signing your organization on to NLIHC’s [national support letter](#) calling on FHFA to create strong federal renter protections.
- Joining our weekly working group on renter protections on July 19 and July 26 at 4 pm ET to help inform and strengthen NLIHC’s comment letter. Register for the weekly meeting [here](#).
Read more about the Federal Housing Finance Agency and NLIHC’s opportunities for engagement at: https://tinyurl.com/mr473235

Read submitted comments on FHFA’s website (choose “Tenant Protections” in the drop-down menu): https://www.fhfa.gov/AboutUs/Contact/Pages/input-submissions.aspx

Join Today’s (July 17) National HoUSed Campaign Call for Universal, Stable, Affordable Homes!

Join today’s (July 17) national HoUSed campaign call from 2:30 to 4 pm ET. We will be joined by Special Assistant to the President for Housing and Urban Policy Chad Maisel, who will discuss “All INside,” the Biden-Harris administration’s new initiative to address the needs of people experiencing unsheltered homelessness. Henry Gomory of Eviction Lab will share findings from new research on the relationship between the cost of eviction filing fees and eviction rates. Siobhan Kelly of the Federal Housing Finance Agency (FHFA) and NLIHC’s own Kayla Laywell will provide an update on FHFA’s request for input on needed tenant protections. We will also receive updates from the field, give an overview of the House’s draft THUD funding bill for fiscal year (FY) 2024, and more. Register for today’s call here.

Budget and Appropriations

House THUD Subcommittee Votes to Advance FY24 Spending Bill Proposing Deep Cuts to Some HUD Programs but Sparing Most Rental Assistance

The U.S. House of Representatives’ Committee on Appropriations’ Subcommittee on Transportation, Housing, and Urban Development (THUD) unveiled its draft spending proposal for fiscal year (FY) 2024 on July 11. The bill proposes funding HUD at $68.2 billion, which would result in a $6.4 billion (or roughly 10%) increase in funding for HUD programs over previously enacted levels. Due to increased costs for rent, which have raised the cost of housing assistance, and to lower receipts from the Federal Housing Administration (which typically help offset HUD’s budget), HUD needs an estimated $13 billion funding increase over existing levels just to maintain current assistance and services.

Despite the overall increase, the spending bill proposes deep cuts to or even elimination of some HUD programs, even while it also appears – as NLIHC and our members, partners, and allies have urged – to adequately fund most rental assistance programs. To appease House Republicans’ demand for deep cuts to all spending bills, the Transportation section of the THUD Subcommittee bill will likely see the deepest overall cuts to programs, with an almost 60% decrease proposed relative to last year’s funding. The bill would also rescind over $564 million in unobligated balances from the Office of Lead Hazard Control and Healthy Homes and $25 billion in Internal Revenue Service (IRS) funding provided in the “Inflation Reduction Act” to provide additional funding to HUD’s budget.
The bill would provide increased funding for some of NLIHC’s other priorities, including HUD’s Homeless Assistance Grants (HAG) program, which is vital for communities to respond to the needs of people experiencing homelessness, and programs that help address the dire affordable housing needs of Native communities. However, other important programs would face funding cuts, including the Public Housing Capital and Operating Funds, Section 811 Housing for Persons with Disabilities, and Section 202 Housing for the Elderly. Funding for the HOME Investments Partnership Program would be cut by more than half, and funding for other programs – including the Family Unification Program, Incremental Vouchers, Choice Neighborhoods Initiative, Housing Mobility Services, and Grants to Identify and Remove Barriers to Affordable Housing – would be zeroed out completely. For full details, see NLIHC’s analysis and updated budget chart.

In a meeting held the following day, members of the Subcommittee voted along party lines to advance the bill to the full Appropriations Committee. Subcommittee Chair Tom Cole (R-OK) provided opening remarks at the markup, noting that the draft bill “meets our fundamental responsibility to support our most vulnerable citizens who rely on housing assistance to live in dignity.”

“I am also proud of the work we have done in this bill to meet our trust and treaty obligations to Native Americans,” continued Chair Cole. “For years, HUD tribal housing programs have languished, with buying power eroded by inflation. At the same time, some of the housing on Tribal lands deteriorated to the point of being dangerous and uninhabitable. So I am proud we have restored the Indian Housing Block Grant program to $1.1 billion, catching up to an inflation-adjusted 1998 level.”

Subcommittee Ranking Member Mike Quigley (D-IL) highlighted his concerns with the steep cuts proposed to U.S. Department of Transportation programs and his worries about the impact that cuts to HUD programs could have on affordable housing development. “More than 580,000 people are experiencing homelessness, and millions of families scrape to pay rent as incomes struggle to keep pace with rising housing costs,” said the Ranking Member. “But the allocation for this bill diminishes investments in the HOME program, which funds the construction of new affordable housing for renters and those seeking homeownership…For my district, this would mean a cut of more than 66% to Chicago’s affordable housing resources.”

House Appropriations Committee Ranking Member Rosa DeLauro (D-CT) echoed Ranking Member Quigley’s concerns about inadequate funding for affordable housing programs. “The biggest issue touching every community is the lack of affordable housing,” she explained. “There is a shortage of 7.3 million affordable homes available nationwide,” citing a statistic from NLIHC’s Gap report. “Ensuring affordable and adequate housing is available in the places Americans live and work – ensuring there are roofs over the heads of children and families – should not be controversial. Yet this bill fails to meet the housing needs of a growing and aging population.”

Ranking Member DeLauro also took issue with the bill’s policy rider barring HUD funds from being used to implement or enforce HUD’s “Affirmatively Furthering Fair Housing” rule, which charges localities receiving HUD funding with not only avoiding discriminatory policies but also proactively working to undo racial segregation.
“No honest lawmaker can look at the history of housing in this country and say there is no and has never been systemic racism,” she said. “The U.S. government was an active participant in creating the racial segregation we still see today, and this bill cannot be talked about without acknowledging that history. Black-majority neighborhoods were bulldozed to create urban freeways. Racial covenants, red-lining, and restrictive zoning were not just tolerated – they were frequently requirements of federal programs. We must be honest with one another and with the American people about this country’s history of housing discrimination, and why we have a Fair Housing Act to begin with.”

With the bill approved by the THUD Subcommittee, it will next be considered by the full House Appropriations Committee on Tuesday, July 18. NLIHC will track the progress of the bill, including any potentially harmful amendments proposed that would increase barriers to accessing housing assistance.

Meanwhile, appropriations work in the U.S. Senate continues to progress, with both Senate Appropriations Chair Patty Murray (D-WA) and Vice Chair Susan Collins (R-ME) having agreed to mark up their FY24 spending bills to the level agreed upon in the “Fiscal Responsibility Act.” According to the 302(b)s announced by the committee on June 22, the Senate THUD bill is slated to propose an increase of $759 million above FY23-enacted levels (see Memo, 6/26). The Senate THUD bill is scheduled for a full Senate Appropriations Committee vote on July 20, although as of publication, the bill text has yet to be released. NLIHC will monitor the release of the bill, as well as the full Committee vote.

**Take Action!**

While the fact that the House’s THUD proposal appears to spare rental assistance, homelessness assistance, and Native housing programs from cuts is welcome news, we must continue our work to ensure these programs, as well as Public Housing, are adequately funded in any final FY24 package. Failure to increase appropriations for HUD’s vital affordable housing and homelessness assistance programs would have a devastating impact on the people and communities served by these programs.

Advocates should call, email, and Tweet their members of Congress and urge them 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, including for NLIHC’s top priorities.

Take action today by:

- **Emailing your members of Congress today** and urging them to increase – not cut – resources for affordable housing and homelessness in FY24, and to support NLIHC’s top appropriations priorities:
  - Implement full funding for the Tenant-Based Rental Assistance (TBRA) program to renew all existing contracts.
  - Provide full funding for public housing operations and repairs.
  - Fully fund homelessness assistance grants.
  - Provide $100 million for legal assistance to prevent evictions.
- Fund a permanent Emergency Rental Assistance program.
- Maintain funding for competitive tribal housing grants for tribes with the greatest needs

- **Checking out NLIHC’s advocacy toolkit**, “Oppose Dramatic Cuts to Federal Investments in Affordable Housing,” for talking points, sample social media messages, and more!
- **Signing your organization on to CHCDF’s annual budget letter** – join over 2,000 organizations from around the country on CHCDF’s annual 302(b) 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.

**Want to Support NLIHC’s Work? Become a Member!**

One way to support NLIHC and our work is by becoming a member. NLIHC membership is open to individuals, organizations, corporations, and government agencies, and annual membership dues are suggested amounts, meaning you can join at any amount that works for you.

You can join online at nlihc.org/membership or contact outreach@nlihc.org with any questions.

**Congress**

**Representatives Reintroduce Bipartisan Bill to Expand and Improve Housing Choice Voucher Program**

Representatives Emanuel Cleaver (D-MO) and Lori Chavez-DeRemer (R-OR) reintroduced the “Choice in Affordable Housing Act” (**H.R.4606**) in the U.S. House of Representatives on July 13. The bipartisan bill would expand access to affordable housing through HUD’s Housing Choice Voucher (HCV) program by removing programmatic barriers and establishing incentives to increase landlord participation. Senators Chris Coons (D-DE) and Kevin Cramer (R-ND) reintroduced a companion bill (**S.32**) in the U.S. Senate in January 2023 (see **Memo, 1/30**).

NLIHC supports the “Choice in Affordable Housing Act” and urges Congress to enact the bill, along with investments to **expand rental assistance** and legislation to **strengthen and enforce renter protections**, to ensure that people with the lowest incomes and the most marginalized people have stable, affordable homes.

Landlord participation in the HCV program, which determines the number of available homes and where they are located, has declined in recent years, making it more difficult for voucher holders to find housing in communities of their choice. The Choice in Affordable Housing Act would invest $500 million to increase voucher holders’ housing choices by offering incentives to landlords, including signing bonuses to landlords, security deposit assistance, and a financial bonus to public housing agencies (PHAs) that retain a dedicated landlord liaison on staff.

In addition to financial incentives, the Choice in Affordable Housing Act would reduce programmatic barriers in the HCV program to help attract and retain landlords. The bill would
require HUD to expand its 2016 rule requiring the use of Small Area Fair Market Rents in certain metro areas to increase the value of rental assistance, reduce inspection delays, and refocus HUD’s evaluation of PHAs to promote an increase in the diversity of neighborhoods where vouchers are used.

Read Representative Cleaver’s press release about the introduction of the Choice in Affordable Housing Act at: https://tinyurl.com/59v2dy2n

Read the bill text at: https://tinyurl.com/4zthumvm

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**Senator Brown Introduces Bill to Curb Predatory Investments in Single-Family Housing**

Chair of the U.S. Senate Committee on Banking, Housing, and Urban Affairs Sherrod Brown (D-OH) led the introduction of the “Stop Predatory Investing Act” on July 11. Co-sponsors for the bill include Senator Ron Wyden (D-OR), Tina Smith (D-MN), Jeff Merkley (D-OR), Jack Reed (D-RI), John Fetterman (D-PA), Elizabeth Warren (D-MA), and Tammy Baldwin (D-WI).

If enacted, the “Stop Predatory Investing Act” would prohibit investors with 50 or more single-family rental homes from deducting interest or depreciation on those properties. Currently, two large investors own more than 12,000 homes in Ohio alone, while other large investors are not transparent about how many homes they own. The bill would restrict the ability of private equity companies and other large investors to take advantage of tax breaks that give them an unfair advantage in the housing market. In addition, the bill offers incentives to big investors to sell single-family rental homes back to homeowners or nonprofits in the community.

The bill aims to address a growing problem in local housing markets: private equity companies and other Wall Street-backed investors buying up single-family homes and renting them out for profit. Often, these firms use technology and all-cash offers to outcompete individual buyers. These practices push home ownership farther out of reach for many families, especially families with lower incomes. Limiting incentives for investment companies to buy up single-family properties and encouraging these firms to sell their housing stock to homeowners or nonprofits will help make homeownership an attainable goal for more people.

“The predatory practices of institutional investors who buy out single-family homes is a rapidly developing issue in affordable housing policy, and one that must be addressed head-on to protect the rights of tenants and help preserve the nation’s supply of affordable housing,” said NLIHC President and CEO Diane Yentel in a press release for the bill. “I applaud Senator Brown for his vision and leadership in introducing the ‘Stop Predatory Investments Act’, which will help ensure investors do not buy up available properties only to raise rents and displace tenants.”

Learn more about the “Stop Predatory Investing Act” here.

Read a press release about the bill here.
Disaster Housing Recovery

Rains Pummel Vermont, Leading to Widescale Flooding

A slow-moving, two-day storm system dropped a significant amount of rain on portions of the Northeast early last week, causing the worst flooding in the region since Hurricane Irene in 2011. Though rivers overflowed throughout the area, the most severe flooding was in central Vermont, with government operations being hastily relocated after the capital of Montpelier was hammered by a record-setting 5.28 inches of rainfall on Monday. The city and surrounding communities experienced catastrophic flooding that destroyed a large number of homes and caused widespread damage to infrastructure, stranding many residents and preventing travel across the region.

By late last week, search and rescue teams had rescued over 200 individuals across the state, with Vermont-based emergency responders being aided by others from neighboring states. Flash flooding inundated areas that had been spared from flooding during Hurricane Irene, while dams and reservoirs across the state were pushed to their limits (though none were overtopped or breached). Flooding in New York State was also significant, with one fatality reported in Orange County.

It is not yet clear how many homes were damaged by the time rains began tapering off on Tuesday, even while state governments in the region announced that they remained in emergency response mode. Vermont is collecting information on damage to support an expanded federal disaster declaration after President Biden declared a disaster and approved reimbursement for emergency operations by state and local governments on Monday.

Caught in the middle of the disaster are around 800 former residents of a non-congregate shelter that had been funded since the beginning of the COVID-19 pandemic, first through FEMA reimbursement and then by the State of Vermont. However, the state terminated a large portion of that funding earlier this summer, forcing many individuals out of their hotel rooms and into the street. NLIHC’s Disaster Housing Recovery Coalition (DHRC) will continue to monitor the situation and support efforts to coordinate assistance for individuals experiencing homelessness and impacted low-income residents of Vermont during this crisis.

Disaster Housing Recovery Update – July 17, 2023

Congressional and National Updates

Representative Al Green (D-TX) attempted to insert an amendment passing the Disaster Housing Recovery Coalition-supported “Reforming Disaster Recovery Act” into the fiscal year (FY) 2024 “National Defense Authorization Act.” The amendment was ultimately not included by the House Rules Committee in the list of amendments under consideration. Adding the amendment to the bill would have permanently authorized HUD’s long-term disaster recovery program and shortened the amount of time it takes to deliver federal assistance to disaster survivors.
HUD issued a notice regarding its intent to collect information on post-disaster rental housing recovery. The notice, published in the Federal Register, states that the agency wants to study “disaster outcomes on rental housing, including the impacts to housing markets and renters; efforts that have been implemented by federal, state, and local governments to mitigate losses to affordable rental housing stock after disasters; and how CDBG-DR requirements impact post-disaster efforts to address rehabilitation, reconstruction, replacement, and new construction of rental housing for low-and- moderate income households. The study includes interviews and focus groups in three study communities in jurisdictions that have received CDBG-DR funding.”

HUD issued an additional notice in the Federal Register stating its intent to, upon request of the grantee, expand the time limit needed to expend Community Development Block Grant-Mitigation (CDBG-MIT) funding beyond the six-year limit initially established in allocation notices.

An analysis by E&E News shows that different geographical areas may receive vastly different payouts from the National Flood Insurance Program.

State and Local

Arkansas

Three months after a tornado tore through Little Rock, Lonoke, and Cross Counties, the FEMA assistance deadline has come and passed, despite efforts to persuade FEMA to extend the deadline. The frustrating process meant many affected parties did not apply, although 3,500 people did.

Florida

Florida Governor Ron DeSantis announced the conclusion of the Hurricane Michael Housing Repair and Replacement Program on July 6. The state-funded program completed 977 housing repair projects. The program was started in July 2021. Seventy-five percent of the projects completed were meant for extremely low-income residents.

Residents of Volusia County are being asked how $329 million in disaster funds received by the county should be spent. The money is being made available by HUD’s Community Development Block Grant-Disaster Recovery program.

Illinois

Illinois and other states in the central Midwest are working to recover from a destructive derecho that impacted the area on June 29. Straight-line winds with gusts in excess of 100 miles per hour crossed several states, damaging homes and infrastructure.

Iowa

Philanthropies, non-profits, and local government entities in Cedar Rapids are joining together to create the Alliance for Equitable Housing to push for stable, accessible housing. The coalition
was first formed in the aftermath of a 2020 derecho that damaged more than 2,300 rental units in the area.

**Louisiana**

The Lake Charles City Council approved ordinances authorizing the use of HUD disaster recovery funds to construct three affordable housing developments. Each project will be built to heightened standards that will enable it to survive future hurricanes.

**Maine**

Maine will be receiving disaster recovery funding to help areas impacted by severe flooding this past spring. FEMA recently approved Public Assistance funding that will be available to reimburse state, tribal, and local governments and certain non-profits for repair and replacement work related to the floods.

**Mississippi**

FEMA teams are assessing damage to Moss Point and surrounding areas after a tornado struck in June. Individual assistance for residents – who are still waiting for support – can be approved only if the storm is shown to have caused at least $5.2 million in public property damage.

**Oklahoma**

FEMA remains in Oklahoma after the state was impacted by destructive weather on April 19 and 20. While disaster recovery centers have been closed and the deadline for assistance has passed, individuals can still update their existing applications. FEMA has so far received 418 applications from residents in the state.

**West Virginia**

An article published by Pew argues that West Virginia should be investing in flood resiliency. The state legislature approved the creation of a new mitigation strategy earlier this year but continues to debate potential funding levels for the measure.

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**HUD**

**HUD Publishes Final NSPIRE Scoring Notice**

HUD published a final physical inspection Scoring notice in the Federal Register on July 7, one of three documents supplementing the final rule implementing the new National Standards for Physical Inspection of Real Estate (NSPIRE). NSPIRE scoring is focused on the health and safety of the housing units where residents live, as well as on the functional defects of buildings, and deemphasizes scoring based on the appearance of building exteriors. NLIHC submitted a comment letter in response to a proposed Scoring notice published in the Federal Register on March 28 (see Memo 4/3). The Scoring notice does not apply to the Housing Choice Voucher
NSPIRE will replace HUD’s former physical inspections standards, the Uniform Physical Conditions Standards (UPCS) and the Housing Quality Standards (HQS). HUD published final overall NSPIRE regulations on May 11 (see Memo, 5/15) and NLIHC prepared a summary of the key provisions of the final rule (see Memo, 5/22). Of the three supplemental notices, HUD also published the final physical Standards notice, along with a link to 295 pages of detailed “inspectable items,” on June 22 (see Memo, 6/26). HUD posted Notice PIH 2023-16/H 2023-07, the Administrative Procedures Notice, on June 30 (see Memo, 7/10). The intent of issuing the three notices instead of incorporating their content in regulations is to enable HUD to more readily provide updates as appropriate. HUD intends to update the NSPIRE Standards and Scoring notices every three years.

The Major Change in the Final Scoring Notice

The major change in the final Scoring notice removes the proposal to use letter grades in conjunction with inspection scores. Table 8 in the proposed Scoring notice had seven letters along with a property score and an explanation of the joint letter/property score. For example, the table entry for a property with an NSPIRE score greater than 70 but less than 80 with a C letter grade was explained as “a property with an acceptable physical condition with a greater number of concerning defects. The property should be closely monitored to see if these issues are correctable or present larger concerns about resident health and safety and overall asset condition.” The proposed Scoring notice stated the intent of the table was to make inspection scores easy for PHAs, private owners of HUD-assisted Multifamily housing, HUD staff, and residents to better understand a property’s condition and to guide risk management and enforcement. The letter grading is removed from the final Scoring notice because several public comments expressed concern that letter grading could lead to misinterpreting inspection outcomes and even stigmatize affordable housing.

Clarifying Provisions

The NSPIRE final rule and proposed Scoring notice identified three inspectable areas: the dwelling unit (e.g., bathrooms, kitchens, electrical systems, walls, windows, carbon monoxide devices, smoke detectors, etc.); inside a building containing a unit selected by random sample for inspection (e.g., common areas, utility rooms, mechanical rooms, community rooms, etc.); and outside areas of a building (e.g., fencing, mailboxes, play areas, storm drainage, etc.). In-unit deficiencies are weighted more heavily.

The NSPIRE scoring methodology converts observed defects into a numerical score. NSPIRE retains the 0-100 point score for properties inspected by HUD’s Real Estate Assessment Center (REAC), which considered a failing score to be less than 60 points. Properties with an overall score of 30 or less will automatically be referred to HUD’s Departmental Enforcement Center (DEC).

Fail Thresholds
For scoring, HUD proposed “Fail Thresholds,” two situations in which a property will be considered to have failed inspection:

1) The final Scoring notice retains the proposed notice provision to continue using the UCPS practice of failing a property that has a score less than 60. This is called the “Property Threshold.”
2) The final Scoring notice adds a new “Unit Threshold” that fails a property even if it had an overall score of more than 60, if 30 or more points at the property are deducted due to in-unit deficiencies. This reflects HUD’s goal of maximizing the health and safety of residential units.

In the Background section of the final Scoring notice, HUD indicates that several public comments misinterpreted the Unit Threshold to suggest that the deduction of 30 points or more in a single inspected unit could fail an entire property, which was not HUD’s intent. Therefore, the final Scoring notice clarifies that the Unit Threshold applies to all the inspected units in a property collectively. In addition, HUD will only lower the score to 59 if it was previously 60 or more. HUD will not further adjust scores that were already less than 60.

**Duplicate Defects**

The proposed Scoring notice would score all deficiencies, even repeated instances of the same deficiency. Public comments raised concerns about some deficiencies that could be observed in multiple rooms or on inspectable items even if they were the same deficiency, such as pest infestation. The final Scoring notice continues citing a deficiency multiple times in all inspectable areas (the unit, inside a building, and outside a building) but will deduct points only once per inspected unit, building, or outside area. Examples of deficiencies that will be cited for each instance but scored only once in the same inspectable area include infestation, damaged doors, damaged walls, blocked egress, and sharp edges.

**Non-Scored Defects**

The final Scoring notice retains the long-standing practice of not scoring smoke detector defects, instead indicating smoke detector defects with an asterisk (*) after a property’s overall score. The proposed Scoring notice indicated that the final Scoring notice would have a similar designation for carbon monoxide devices, which the final notice indicates is a plus sign (+) after an NSPIRE score. Carbon monoxide device defects must be corrected within 24 hours.

**Background**

NSPIRE seeks to strengthen HUD’s physical condition standards and improve HUD oversight. The NSPIRE standards are meant to align and consolidate the two sets of physical inspection regulations (contained mostly at 24 CFR part 5) used to evaluate HUD housing across multiple programs: the Housing Quality Standards (HQS) and the Uniform Physical Condition Standards (UPCS). NSPIRE physical inspections will focus on three areas: the housing units where HUD-assisted residents live, elements of their buildings’ non-residential interiors, and the exteriors of buildings, ensuring that components of these three areas are “functionally adequate, operable, and free of health and safety hazards.” The new inspection protocol commenced on July 1, 2023,
for public housing and will begin on October 1, 2023, for the Housing Choice Voucher (HCV) program, the various programs administered by HUD’s Office of Multifamily Housing Programs, and the housing programs overseen by HUD’s Office of Community Planning and Development (CPD).

As explained in a previous article in Memo, HUD intends to score deficiencies based on two factors: the “severity” of a defect and the “location” of the defect (such as whether it is inside a unit, inside a building (e.g., corridors, community rooms and mechanical rooms), or in an outside area (e.g., fences, parking lots, and sidewalks)). Regarding severity, UPCS provided letter designations (e.g., a, b, c) to indicate the presence of exigent health and safety defects. NSPIRE replaces the letter designations with “Defect Severity Categories”:

- **Life-Threatening (LT)**: there is a high risk of death, severe illness, or injury to a resident.
- **Severe**:
  - There is a high risk of permanent disability or serious injury or illness to a resident.
  - There are deficiencies that would seriously compromise the physical security or safety of a resident or their property.
- **Moderate**:
  - There is a moderate risk of an adverse medical event requiring a healthcare visit, causing temporary harm, or if left untreated causing or worsening a chronic condition that may have long-lasting adverse health effects.
  - There are deficiencies that would compromise the physical security or safety of a resident or their property.
- **Low**: There are deficiencies critical to habitability but that do not present a substantive health or safety risk.

The *Federal Register* version of the final NSPIRE Scoring notice is available at: [https://tinyurl.com/3fnhfsbp](https://tinyurl.com/3fnhfsbp)

An easier-to-read version of the final NSPIRE Scoring notice is available at: [https://tinyurl.com/bdfz65h8](https://tinyurl.com/bdfz65h8)


NLICH’s summary of key provisions of the final rule can be found at: [https://bit.ly/3Oweh7H](https://bit.ly/3Oweh7H)

Read the final Standards notice at: [https://tinyurl.com/zyaksbsh](https://tinyurl.com/zyaksbsh)

The final Standards (“inspectable areas”) are viewable at: [https://tinyurl.com/37mraxj8](https://tinyurl.com/37mraxj8)

The Administrative Procedures Notice is available at: [https://tinyurl.com/5c7ce3pp](https://tinyurl.com/5c7ce3pp)


More information about all HUD programs subject to the new NSPIRE rule is available in NLICH’s *2023 Advocates’ Guide*. 
HUD PIH Creates Small Area FMR Website Featuring SAFMR Dashboard

HUD’s Office of Public and Indian Housing (PIH) has created a Small Area Fair Market Rent (SAFMR or Small Area FMR) website. The highlight of the new Small Area FMR website is an SAFMR dashboard showing which public housing agencies (PHAs) are using SAFMRs and how many Housing Choice Voucher units are impacted for each PHA. The dashboard will be updated monthly.

Small Area FMRs reflect rents for U.S. Postal ZIP Codes, while traditional Fair Market Rents (FMRs) reflect a single rent standard for an entire metropolitan region – which can contain many counties. The value of an HCV is determined by the “payment standard” chosen by a PHA; in general, an HCV payment standard is between 90% and 110% of the FMR. The intent of SAFMRs is to provide voucher payment standards that are more in line with neighborhood-scale rental markets, resulting in relatively higher subsidies in neighborhoods with higher rents and greater opportunities, and lower subsidies in neighborhoods with lower rents and concentrations of voucher holders. A goal of Small Area FMRs is to help households use vouchers in more well-resourced areas with lower poverty levels, thereby reducing voucher concentrations in high-poverty areas. The November 16, 2016, final SAFMR rule mandates use of Small Area FMRs by PHAs in 24 metropolitan areas. That rule also allows PHAs to voluntarily use SAFMRs to “Opt-in.”

The dashboard shows that currently, 192 PHAs with 537,737 HCV units are required to use SAFMRs. Only 11 PHAs with 35,943 HCV units have voluntarily opted to use SAFMRs. The HCV regulations allow a PHA to establish a payment standard up to 110% of the Small Area FMR. The dashboard shows that 60 PHAs with 395,232 HCV units use SAFMRs as exception payment standards (EPS) in some of their ZIP Codes. The dashboard might overcount EPS vouchers because HUD assumes all HCV units within an EPS PHA use a Small Area FMR. Click on the EPS and Opt-in bar graphs to search for EPS or Opt-in PHAs.

The dashboard shows there are 968,910 HCV units in SAFMR areas nationally. In Illinois, for example, the dashboard shows there are 14 PHAs with 87,705 HCV units using SAFMRs. The Chicago Housing Authority has 59,230 HCV units while the Housing Authority of Joliet, for instance, has 2,423 HCV units. The 14 PHAs indicated as “mandatory” on the dashboard are all in the Chicago metropolitan area and are therefore required by the final rule to use Small Area FMRs. Three PHAs in Alabama entailing 8,235 HCV units are using SAFMRs as exception payment standards in some of their ZIP Codes, thereby improving HCV households’ opportunities to use a voucher in more well-resourced areas where rents are higher.

The SAFMR website also includes the Small Area FMR regulation, a 2018 guidance notice, a series of training videos, and links to HUD’s Policy Development and Research (PD&R) webpage containing actual Small Area FMRs by bedroom size for each ZIP code in a PHA’s service area.

The new Small Area FMR website is available at: https://tinyurl.com/mrxche5m
Information about the Housing Choice Voucher program is on page 4-1 of NLIHC’s 2023 Advocates’ Guide.

Events

National Conference on Housing Mobility to Feature Raj Chetty as Keynote Speaker

The ninth National Housing Mobility Conference will take place on September 20 in Washington, D.C., and feature Harvard University economist and author Raj Chetty as keynote speaker. More information is available at https://tinyurl.com/evsce9z2. Register here.

Conference panels will cover:

- The latest research on housing mobility and the Housing Choice Voucher program.
- A progress report on the Community Choice Demonstration.
- Presentations on innovations in housing mobility practice.
- Discussions of developing policy prospects at HUD and in Congress.

The conference will take place at the F Street Conference Center in Washington, D.C. and will run from 9 am to 6 pm.

The conference is co-hosted by the Poverty & Race Research Action Council (PRRAC), Mobility Works, Council of Large Public Housing Authorities (CLPHA), and the National Association of Housing and Redevelopment Officials (NAHRO).

ERASE Project

Register Now to Attend Second Session of ERASE Summer Webinar Series Highlighting 2022-2023 ERASE Cohort Member Successes!

NLIHC’s End Rental Arrears to Stop Evictions (ERASE) project will host the second session of its three-part summer webinar series highlighting the achievements of 2022-2023 ERASE cohort members. The second session will focus on members’ successes securing the passage of and enforcing tenant protections. The call will provide NLIHC state and tribal partners and other advocates with information about various tenant protections pursued by cohort members, including limits on application fees, the creation of rental registries, and eviction record sealing legislation, while also highlighting advocacy strategies used by cohort members to divert evictions. The call will also showcase strategies being used by cohort members to ensure long-term housing stability for renters. Register for the session here.

The 2022-2023 ERASE cohort comprises 34 state and local nonprofit organizations that are conducting on-the-ground partnership development, capacity building, outreach and education,
and policy reform and systems change work to promote housing stability, advance equity, and prevent evictions for renter households all over the nation.

The ERASE project was created in January 2021 and aimed to ensure that the historic $46.55 billion in emergency rental assistance (ERA) enacted by Congress during the COVID-19 pandemic reached the lowest-income and most marginalized renters. Recently, the ERASE project has turned its attention to ending housing instability and homelessness by advocating for the passage of more permanent tenant protections, including protections like source-of-income discrimination prohibitions, the civil right to counsel, “just cause” eviction legislation, eviction record sealing and expungement laws, and rent stabilization and anti-rent gouging measures. Learn more about the ERASE project at: https://nlihc.org/erase-project

Presenters on the upcoming call will discuss the types of tenant protections pursued over the course of the past year, strategies they have used pass tenant protections, challenges they have faced, and ways they have overcome these challenges. The webinar will take place from 3 to 4:15 pm ET.

Confirmed speakers for the event include:

- Kayla Laywell, policy associate, NLIHC
- Angelica Moran, public policy specialist, Idaho Center for Fiscal Policy
- Katie West, director of strategic initiatives, Housing Network of Rhode Island
- Andrew Bradley, policy director, Prosperity Indiana

NLIHC will host the final session of the summer webinar series on August 24, 2023, from 3 to 4:15 pm ET. During the webinar, attendees will learn about the efforts made by the ERASE cohort to sustain emergency rental assistance programs within their localities. Attendees will also learn how cohort members are assessing their communities’ need for rental assistance, how emergency rental assistance will continue in the post-pandemic era, what funding streams exist to support the continuation of ERA program operations, and what legislative strategies are being utilized to sustain ERA over the long term.

Register for the webinar series here.

From the Field

**Vermont Legislature Approves Significant New Funding for Housing, Prevents Imminent Evictions by Extending Hotel Sheltering Program**

The Vermont state legislature approved a budget for fiscal year (FY) 2024 on June 20 in a special veto session during which it overrode a veto by the state’s governor, Phil Scott. The new budget includes significant investments in permanently affordable housing and supportive services. An additional bill, H.171, was also passed during the veto session that extended the end date for a statewide hotel sheltering program from July 1, 2023, to April 1, 2024. This last-minute action prevented more than 1,000 households from being evicted from their hotel rooms.
on July 1. However, its passage was too late to protect the nearly 800 households who were abruptly evicted from their hotel rooms on June 1 when the program began to wind-down. Advocates across Vermont played key roles in encouraging the legislature to prioritize funding for housing in the budget and create a more thoughtful strategy to wind down the hotel sheltering program for those still benefiting from it.

The General Assistance Emergency Housing Program was created during the COVID-19 pandemic to provide emergency shelter in hotels and motels to Vermont residents experiencing homelessness. Originally funded through the Federal Emergency Management Agency (FEMA), the program’s funding was later extended multiple times by the legislature. Governor Scott vetoed the initial FY24 budget proposal, which would have continued funding the program, on May 27. This effectively eliminated the benefit for nearly 800 households on June 1, and almost all these households were evicted from their hotel rooms on that date, including seniors, people with disabilities and serious health conditions, and families with children.

The hotel evictions took place without a comprehensive statewide plan for where people would go or how they would continue receiving supportive services. Advocates attempted to prevent the evictions by requesting a temporary restraining order but were unsuccessful. Without clear direction from state agencies, service providers scrambled to connect the households to services and other housing options, though many still live in encampments or their cars and recent catastrophic flooding in July has further complicated their displacement. As of July 11, emergency shelter had not been offered in response to the state’s disaster declaration, and emergency shelters were at capacity. (See the Disaster Recovery section of this Memo for more information.)

Though H.171 does not guarantee shelter for those previously evicted households, those who are eligible under the new bill were given 10 days to reapply for assistance. The bill also sets up formal legislative oversight of the transition and allows some budget flexibility to support these households.

While the end of legislative session saw tensions emerge between lawmakers, the governor, service providers, and advocates, there was broad support to invest in increasing the supply of affordable housing in the budget. The final budget includes significant investments to address Vermont’s affordable housing crisis, including near-full statutory funding for the Vermont Housing and Conservation Board, $40 million for affordable housing development, and $10 million for shelter expansion. A further $10 million was allocated for the Vermont Housing Improvement Program (see Memo, 6/6/22). Additionally, the “Housing Opportunities Made for Everyone (HOME) Act” (S. 100) was passed, making modest reforms to zoning and Act 250.

Advocates across the state played a crucial role in building support for the expanded housing resources and zoning reforms. In particular, they highlighted the threats involved in ending the hotel sheltering program without a comprehensive plan to support impacted individuals and stepped up to provide critical services to the evicted hotel guests, despite a lack of state funding and coordination, and in the face of staff burnout and fatigue. Now, they will work with the Joint Fiscal Committee and the administration to make sure that H.171 supports as many people as possible.
Join Today’s (July 17) “Tenant Talk Live” Webinar on Strengthening the Future of Public Housing

Are you a tenant with fresh ideas about how to bolster public housing? Join “Tenant Talk Live” today (Monday, July 17) at 6 pm ET for an opportunity to share your perspectives with HUD staff. HUD is launching a new initiative, “Strengthening Public Housing for the Future,” that aims to bring tenants into the discussion about improving public housing. The webinar will feature HUD staff who will introduce the initiative and listen to participants’ feedback and ideas to strengthen public housing so that it remains a viable affordable housing resource for decades to come. We invite all public housing residents and other renters to join the webinar — your voice can play a critical role in influencing the future of public housing! Register for the webinar here.

For more information on future “Tenant Talk Live” webinars, visit our website. To stay up to date on Tenant Talk Live events and connect with other attendees, join the Tenant Talk Facebook group.

“Tenant Talk Live” would not be possible without tenants like you! We strive to connect and engage with residents and tenant leaders through our webinars. If you are a low-income tenant and have a topic you would like to propose for an upcoming “Tenant Talk Live,” or if you would like to participate as a speaker on an upcoming call or webinar, please email: sbetancourt@nlihc.org. Webinars like “Tenant Talk Live” also depend on the support of our members. Become an NLIHC member here!

Opportunity Starts at Home

State University of New York System Designates Staff to Assist Students without Homes

In an effort to address homelessness among students, the State University of New York (SUNY) System will designate a staff member on every campus to assist students experiencing homelessness. Beginning this fall, each of SUNY’s 64 campuses will designate a liaison to serve as a point person for students with homes. The liaison will connect students to resources and help ensure that they have access to the stable housing necessary for them to excel in their studies. Read an article about the system’s new policy here.

Research

Study Finds No Link between Exploitative Management and Profit in Low-End Small Rental Properties
A new study published in *Housing Policy Debate*, “The Prevalence, Profitability, and Risks of Milking among Low-End Small Rental Properties,” finds that small rental properties (SRPs) in high-poverty neighborhoods are riskier investments than SRPs in lower-poverty neighborhoods, though they are as likely to be profitable. While other studies have found that profitability of SRPs in high-poverty neighborhoods is linked to exploitative management practices, or “milking,” this study finds no evidence to support such a connection.

The study surveyed a random sample of SRP owners from the 149 largest U.S. metro areas in 2019 and 2021. Respondents were asked about one specific randomly selected SRP in their portfolio, their portfolio as a whole, and their management practices and profitability. To assess profitability of SRPs, the researcher compared owner responses about profitability of low-end SRPs (those in high-poverty tracts) with other SRPs. To examine risks associated with low-end SRPs, such as rent delinquency, turnover, and profit decline, the researcher modeled the impact of risk on profit by poverty rate of the property’s tract. Finally, the researcher examined the relationship between exploitative management and profitability by measuring the rent level of the unit compared to others nearby, the number of routine maintenance activities performed in the past five years, and whether the owner responded to a missed rent payment by filing for eviction.

The study found no evidence that the lower end of the SRP market was more profitable than the rest of the SRP market. The study, however, found SRPs in higher-poverty neighborhoods were financially riskier than those in lower-poverty neighborhoods. Properties in high-poverty tracts were 98% more likely than those in low-poverty tracts to have reported rent delinquency in the past two years when surveyed in 2019. In addition, owners of lower-end properties reported spending more time managing those properties. Respondents also reported the typical length of a tenant’s stay in SRPs located in high-poverty neighborhoods was seven months shorter than the typical length in lower-poverty neighborhoods, suggesting higher turnover. The study also found no evidence that “milking” – indicated by neglected maintenance, aggressive rent-setting, and frequent evictions – explains the profitability of low-end SRPs. Aggressive rent setting, for example, was no more likely to generate profits in high-poverty neighborhoods than in lower-poverty neighborhoods. Instead, profitability was linked to larger portfolios, longer-term ownership, longer-term tenants, and higher rents in general.

The findings of this study run counter to prior research that suggests exploitative practices play a role in low-end SRP profitability. According to the author, the lack of a clear relationship between exploitative management practices and profit suggests a need to examine exploitative practices in their own right, independent of profit. The author, however, also points out social desirability bias and nonresponse bias as possible limitations to the study and calls for further research. The article is available at: bit.ly/45Uh40r.

**Fact of the Week**

**Many of the Largest Occupations Do Not Pay Enough to Afford Rent**

### NLIHC Publications

**Sign Up Now to Receive Free Copy of Upcoming Edition of *Tenant Talk!***

In just a few weeks, NLIHC will release a new edition of *Tenant Talk*, our biannual newsletter engaging tenants, residents, and other low-income people in housing advocacy. The upcoming edition, *Tenant Talk: Taking Pride into Our Work*, will explore the intersections of housing justice and the LGBTQ+ movement, as well as the various barriers to safe and affordable housing faced by LGBTQ+ people. As always, readers will hear directly from individuals with lived experience of housing insecurity, including housing advocates who identify as LGBTQ+, while also receiving news about policy developments and updates on NLIHC research. Sign up [online](#) to receive a free copy of the new *Tenant Talk*.

If you would like to receive *Tenant Talk* for free through the mail, please fill out this [quick and easy form](#) to let us know how many copies you would like. Please note that you can order up to five copies at this time. Please share with your network and others who might be interested.
Are you interested in other ways to stay involved with NLIHC? Check out these opportunities:

- Join NLIHC’s “Tenant Talk Live” webinars the first and third Monday of every month. Tenant Talk Live webinars provide residents with the opportunity to connect with one another and NLIHC, to share best practices, discuss how to influence federal housing policy, and explore ways to lead in their communities. Register for the webinars at: https://us02web.zoom.us/meeting/register/tZcrcOmqqD0oH9aHFO8inZoX4ZuDrAEiFO_m#/registration and view the schedule at: https://nlihc.org/tenant-talk-live-webinar
- NLIHC is seeking external authors for our “On the Home Front Blog.” If you are a tenant, resident, or renter who would like to write a guest blog post about federal housing advocacy, we invite you to reach out to us! If you have any questions or are interested in participating, please e-mail outreach@nlihc.org.
- NLIHC hosts weekly webinars regarding different housing justice topics. Learn more about them at: https://nlihc.org/gap
- Publications like Tenant Talk would not be possible without the support of our members. Become an NLIHC member here! Resident associations can join for $15, and individuals can join for $5.

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**NLIHC Careers**

**NLIHC in the News**

**NLIHC in the News for the Week of July 9**

The following are some of the news stories to which NLIHC contributed during the week of July 9:

- “U.S. Building More Apartments Than It Has in Decades, but Not for the Poor: Report” *Vice*, July 13 at: https://tinyurl.com/3fh6tuyy
- “Why can’t we stop homelessness? 4 reasons why there’s no end in sight” *NPR*, July 12 at: https://tinyurl.com/22mx7jbr
- “The Inverted Yield Curve and Next US Recession” *MSN*, July 8 at: https://tinyurl.com/2ubpsvr6

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**NLIHC News**

**Where to Find Us – July 17**

- [A Home for Everyone](#) – Oshkosh, WI, July 19-20 (Courtney Cooperman)
- Brookings Metro Disasters and Renters Workshop – Washington, DC, July 20 (Diane Yentel)
- Virginia Housing Alliance, Annual Awards Lunch – Richmond, VA, July 21 (Diane Yentel)
• Henry George School of Social Science Annual Conference – virtual, July 24 (Lindsay Duvall)
• YIMBY Action Federal Affordable Housing Webinar – Virtual, July 27 (Diane Yentel)
• Ayuda Legal Puerto Rico, 5th Annual Just Recovery Summit – San Juan, PR, August 10-11 (Noah Patton and Sidney Betancourt)
• Ability Housing, Inc. Annual Summit – Kissimmee, FL, September 12-13 (Diane Yentel)
• Neighborhood Preservation Coalition of New York Annual Conference – Saratoga Springs, NY, September 19 (Lindsay Duvall)

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