

# NLIHC Spring Issues Toolkit



**APRIL 2017**

NLIHC Partners,

We face significant and imminent threats to federal programs keeping millions of low income seniors, people with disabilities and families with children safely and affordably housed. At a time when the housing crisis has reached historic heights, and its impacts are felt most severely by the lowest income people, we must redouble our efforts to not just preserve and improve these programs, but to expand them. Working to protect and increase these critical resources has always been challenging; this year, the work will test our collective commitment, organization, and strategy.

Enclosed are five key areas where you can take action to influence critical issues before Congress. This includes protecting federal spending on affordable housing for people with extremely low incomes, ending homelessness and housing poverty through tax reform, protecting and expanding the national Housing Trust Fund, ensuring equitable access to affordable housing, and supporting broad anti-poverty solutions.

**Please full use of the upcoming congressional recesses — April 10–21, May 29–June 2, and July 3–7 — to make your voices heard on these important issues.**

If you have any questions, or need additional information, please feel free to contact me or NLIHC's Public Policy Director, Sarah Mickelson ([smickelson@nlihc.org](mailto:smickelson@nlihc.org)).

Thank you for your commitment and your advocacy, now and in the months to come.

A handwritten signature in black ink that reads "Diane Yentel".

Diane Yentel  
President & CEO

# Urgent Congressional Priorities

## **1. PROTECT FEDERAL SPENDING ON AFFORDABLE HOUSING.**

- Lift the spending caps with parity for defense and nondefense programs.
- Provide the highest amount of funding possible for HUD and USDA Rural Housing spending bills.

## **2. END HOMELESSNESS AND HOUSING POVERTY THROUGH TAX REFORM.**

- Cosponsor the Ellison Common Sense Housing Investment Act (H.R. 948) to reform the mortgage interest deduction to better serve low and moderate income homeowners and reinvest the savings into affordable rental housing programs that serve those with the greatest needs. Introduced by Rep. Keith Ellison's (D-MN).
- Cosponsor the Affordable Housing Credit Improvement Act (S. 548 and H.R. 1661). The Senate bill would expand and improve the Low Income Housing Tax Credit to ensure that it better serves homeless and extremely low income households. The House bill also improves the Housing Credit, but does not include an expansion of resources.

## **3. PROTECT AND EXPAND THE NATIONAL HOUSING TRUST FUND (HTF).**

- Protect the national HTF from budget cuts
- Expand the national HTF through housing finance reform, an infrastructure spending bill, and other legislative avenues.

## **4. ENSURE EQUITABLE ACCESS TO AFFORDABLE HOUSING.**

- Reject anti-Fair Housing bills or amendments that undermine the ability of states and communities to address residential segregation and discrimination.
- Oppose welfare reform changes to federal housing programs, including work requirements or time limits, that ultimately lead to high rates of extreme poverty.

## **5. SUPPORT ANTI-POVERTY SOLUTIONS.**

- Protect and expand safety net programs, including the Affordable Care Act, Supplemental Nutrition Assistance Program (SNAP), Earned Income Tax Credit (EITC), Social Security, Medicaid, and Medicare, among others.

# 1. PROTECT FEDERAL SPENDING ON AFFORDABLE HOUSING

**Please urge your Members of Congress to lift the spending caps in FY18 – equally for both defense and non-defense programs – and to provide as much funding as possible for HUD and USDA Rural Housing programs.**

When the *Budget Control Act of 2011* was signed into law, it set in motion very low spending caps. Since then, Congress has reached short-term agreements to provide limited budget relief equally for defense and non-defense programs, including affordable housing resources. Despite this relief, HUD funding has been cut significantly in recent years; HUD funding was 8.4% lower in 2016 than in 2010, adjusted for inflation.

The low spending caps, however, are slated to return for the FY18 budget. Unless Congress lifts the spending caps — equally for defense and non-defense programs — affordable housing resources will face deep cuts. This is because housing programs need additional funding above current levels just to renew its current rental assistance contracts and maintain program levels. About 85% of HUD funding goes to provide rental assistance. Because rental assistance responds to the private market, the cost to provide rental assistance increases as rents rise. Without an adjustment for inflation, thousands of households could lose access to their rental assistance, putting them at increased risk for eviction and homelessness.

President Trump's FY18 budget blueprint is the wrong approach. It proposes to boost defense spending by \$54 billion and to pay for this increase by cutting non-defense programs. This would devastate HUD programs and the millions of families who rely on them. The Trump budget would slash overall HUD funding by 13% or \$6.2 billion compared to FY16 levels. When compared to funding levels needed for FY17, the proposed cuts amount to a 15%, or \$7.5 billion, reduction. This would be the biggest cut to HUD since the Reagan era, which ushered in a new age of homelessness.

Under the Trump budget, more than 200,000 seniors, families, and people with disabilities will be at immediate risk of eviction and homelessness, and local communities will lose the funding they need to build and repair affordable homes and revitalize distressed communities. Community Development Block Grants, the HOME Investment Partnerships program, Choice Neighborhoods grants, NeighborWorks, the U.S. Interagency Council on Homelessness, the Section 4 Capacity Building program, and the Self-help Homeownership Opportunity Program would be eliminated. NLIHC estimates that the proposed budget cuts to HUD alone would lead to 123,786 fewer jobs supported throughout the country.

It is not enough for Members of Congress to reject the President's budget; they must lift the spending caps and fully fund affordable housing investments.

**For an overview of funding levels, see [NLIHC's updated budget chart](#).**

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## 2. END HOMELESSNESS AND HOUSING POVERTY THROUGH TAX REFORM

**Please urge your Representatives to cosponsor the Common Sense Housing Investment Act (H.R. 948), introduced by Rep. Ellison (D-MN).**

The bill would make modest reforms to the mortgage interest deduction, a \$70 billion tax write-off that largely benefits America's highest-income households, and reinvests the significant savings into providing affordable housing for people with the greatest needs. This includes increased funding for the Housing Trust Fund, the Low Income Housing Tax Credit, public housing, and rental assistance solutions — without adding any costs to the federal government.

The reforms are simple and bipartisan. First, the bill reduces the size of a mortgage eligible for the tax break from \$1 million to the first \$500,000—impacting fewer than 6% of homeowners. Second, the bill converts the mortgage interest deduction into a tax credit. This would allow 15 million more low and moderate income homeowners who currently do not benefit from the mortgage interest deduction to get a much-needed tax break.

NLIHC and the United for Homes campaign — including more than 2,300 national, state, and local organizations and elected officials in all 435 congressional districts — strongly endorses H.R. 948.

**For more details,** see [NLIHC's Fact Sheet on H.R. 948](#).

**Please urge your Senators and Representatives to cosponsor the Affordable Housing Credit Improvement (S.548 and H.R. 1661).**

S. 548 would expand the Low-Income Housing Tax Credit by 50% over five years and includes important improvements to ensure that the Housing Credit can better address the housing needs of those with the greatest needs – homeless and extremely low-income households. S.548 would provide a 50% basis boost — thereby increasing the investment of Housing Credits — for developments that set aside at least 20% of units for households with extremely low incomes or that are living in poverty. With this much-needed financial incentive, this bill will help housing developments remain financially sustainable while serving families with limited means. The bill also includes many other programmatic changes to strengthen and streamline the Housing Credit and to support the preservation of existing affordable housing.

The primary difference between the House and Senate bills is that the House bill does not include the 50 percent expansion of the Housing Credit. However, it takes significant steps to strengthen this critical resource.

**For more details,** see [NLIHC's Fact Sheet on S.548](#).

**Contact:** Sarah Mickelson, [smickelson@nlihc.org](mailto:smickelson@nlihc.org)

### 3. PROTECT AND EXPAND THE NATIONAL HOUSING TRUST FUND (HTF)

**Please urge your Senators and Representatives to protect the HTF through the budget process and to expand the HTF through housing finance reform and an infrastructure spending bill.**

The HTF is the only federal program designed to build and preserve housing affordable to people with the lowest incomes. We must ensure that the program is protected and expanded – not eliminated.

Funding for the national HTF could face significant budget cuts and other threats this year. President Trump has announced that his administration is preparing dramatic cuts to the federal budget to help pay for a \$54 billion increase in funding for defense programs. These cuts would be on top of already very low spending caps required by law and would put affordable housing programs at significant risk. In the past, Congress has proposed to essentially eliminate the HTF and to use its funding to fill holes in the HUD budget. Instead, Congress should ensure that all housing programs – including the HTF – be fully funded.

There may be opportunities to expand the HTF through housing finance reform, an infrastructure spending bill, and other legislative avenues. For example, the bipartisan Johnson-Crapo housing finance reform legislation of 2014 included a provision that would increase funding for the HTF to an estimated \$3.5 annually, making a significant contribution to ending homelessness and housing poverty without competing with other important HUD programs for appropriated funds. To continue to build bipartisan support for housing finance reform legislation, the HTF must be protected and expanded and the HTF provision included in the Johnson-Crapo bill should be the starting point for any future legislation considered by Congress.

**For more details,** see [NLIHC's Fact Sheet on the Housing Trust Fund](#).

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## 4. ENSURE EQUITABLE ACCESS TO AFFORDABLE HOUSING

### Urge your Senators and Representatives to oppose H.R. 482, the Local Zoning Decisions Protection Act, or similar amendments that undermine fair housing laws and rules.

Rep. Paul Gosar (R-AZ) and Senator Mike Lee (R-UT) have introduced H.R. 482, the Local Zoning Decisions Protection Act, to repeal HUD's Affirmatively Furthering Fair Housing (AFFH) rule. If enacted, this would eviscerate certain tools — created under the Obama administration — that would enable local communities to better meet their fair housing obligations and promote housing choice. NLIHC anticipates that Mr. Gosar or Mr. Lee may offer an amendment to the Fiscal Year 2017 or 2018 HUD appropriations bill to the same effect.

This bill undermines the goals of the Fair Housing Act by making it more difficult for communities to remedy racial segregation on the local level and ensure families have the opportunity to move to the neighborhood of their choice. The Fair Housing Act — and Congress's intent in enacting it — is to ensure that everyone, regardless of race, color, religion, national origin, sex, disability, and familial status, can choose the neighborhoods where they want to live based on what is best for themselves and their families. This requires that we work towards making every community one with ample opportunity for economic mobility, with access to good schools, jobs, healthcare, and transportation.

**For more details,** see [NLIHC's statement of opposition to H.R. 482](#).

### Please urge your Senators and Representatives to oppose work requirements or time limits for households receiving housing assistance.

Speaker Paul Ryan's A Better Way anti-poverty agenda recommends imposing time limits and work requirements on "work-capable" people receiving federal housing assistance. The average stay of a family with housing assistance is approximately 8 years, not significantly longer than the 5-year limit proposed in A Better Way; those who stay longer tend to be households with seniors and/or people with disabilities.

In fact, the majority (94%) of voucher and public housing households are either elderly, have a disability, are already working, or include a preschool child or a family member with a disability who needs the supervision of a caregiver.

NLIHC believes that establishing burdensome and costly monitoring and enforcement systems for the remaining 6% of households is neither cost effective nor a solution to the very real issue of poverty impacting millions of families living in subsidized housing or in need.

**Contact:** Sarah Mickelson, [smickelson@nlihc.org](mailto:smickelson@nlihc.org).

## 5. SUPPORT ANTI-POVERTY SOLUTIONS

**Please urge your Senators and Representatives to protect and expand safety net programs.**

Beyond ensuring access to affordable housing, NLIHC is strongly committed to enacting legislation and protecting resources that alleviate poverty.

NLIHC supports efforts to protect vital safety net programs, including the Affordable Care Act, the Supplemental Nutrition Assistance Program (SNAP), Earned Income Tax Credit (EITC), unemployment insurance, Social Security, Medicaid, Medicare, the Children's Health Insurance Program (CHIP), Supplemental Security Income (SSI), Social Security Disability Income (SSDI) and Temporary Assistance for Needy Families (TANF).

We urge Congress to protect and expand critical resources that provide the lowest income people access to housing, food, healthcare, and other basic needs.