NATIONAL LOW INCOME HOUSING COALITION
Memo TO Members

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Tell Your Representative to Cosponsor "The Common Sense Housing Investment Act" to Help End Homelessness and Housing Poverty

Rental housing affordability is an increasing challenge in every state and congressional district. Through tax reform legislation, Congress can make the tax code fairer for more families, reduce income inequality and racial inequity, and end homelessness and housing poverty once and for all. Tell your U.S. representative to support a common sense solution to homelessness and housing poverty.

The "Common Sense Housing Investment Act of 2017" (H.R 948) introduced by Representative Keith Ellison (D-MN) on February 7 calls for modest reforms to the mortgage interest deduction, a $70 billion tax write-off largely benefitting America's highest-income households, that would provide new tax relief to millions of lower income homeowners and would reinvest more than $241 billion in savings over 10 years into affordable housing for people with the greatest needs.

The bill would boost 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. First, the bill reduces the amount of a mortgage eligible for a tax break from $1 million to $500,000. This change would impact fewer than 6% of mortgage holders nationwide, and even those who hold large mortgages would continue to receive tax relief on the first $500,000 of their mortgage. Second, the bill converts the mortgage interest deduction into a tax credit, allowing 15 million more low and moderate income homeowners who currently do not currently benefit from the mortgage interest deduction to get a much-needed tax break.

The NLIHC-led 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.

More information on the "Common Sense Housing Investment Act" is at: http://bit.ly/2mNMJva

How You Can Take Action

1. Ask your representative to cosponsor H.R. 948 to help end homelessness and housing poverty in comprehensive tax reform.

Call Congress Today!

2. Endorse the United for Homes campaign that calls for reforms that mirror Mr. Ellison's bill! A list of UFH endorsers is available at: http://bit.ly/2mNYmCr

Join The Campaign!

3. Ask your colleagues, friends, and family to call their representatives and join the United for Homes campaign!

Sign Letter Urging Congress to Protect and Expand the National Housing Trust Fund

Sign your organization onto a letter from advocates around the country asking Congress to protect and expand the national Housing Trust Fund (HTF). In the first year of funding for the HTF, states made plans to build and preserve affordable rental homes for extremely low income veterans, seniors, people with disabilities or special needs, low-wage workers, and people experiencing homelessness. This is an important first step toward ensuring the nation's 11.4 million extremely low income households have access to decent, affordable housing.

The HTF is the first new federal affordable housing resource in a generation, and it is exclusively targeted to build and preserve housing affordable to people with the lowest incomes. In 2016, the first $174 million in HTF dollars were allocated to the states. Because the HTF is administered as a block grant, each state has the flexibility to decide how best to use HTF resources to address its most pressing housing needs. The first year of funding was a strong start to the program, but Congress must significantly expand the HTF in order to address the critical affordable housing needs of the lowest income renters in every community in the U.S.

The need to protect and preserve the HTF is relevant to Congressional actions on the budget and in negotiations for FY17 and FY18 appropriations. Additionally, Congress is considering reforms to the government sponsored enterprises (GSE), Fannie Mae and Freddie Mac, in 2017. Because the HTF is funded through a small assessment on Fannie Mae and Freddie Mac's new business each year, reforms to the GSEs would have a direct impact on the HTF. Previous bipartisan legislation reforming the GSEs included a significant increase in resources to the HTF. Congressional leaders considering reforms during this session of Congress must protect and expand the national Housing Trust Fund to assist the 7.4 million extremely low income households who lack access to affordable homes. There may also be opportunities to expand the HTF in a comprehensive infrastructure package and in comprehensive tax reform efforts.

Sign the letter urging Congress to protect and expand the HTF and share it with your networks.

Read and sign the letter at: http://bit.ly/2lKahD5

Contact your Congressional delegation directly at: http://bit.ly/2lBR7eM

NLIHC News

Join Us April 4 to Honor 2017 Housing Leadership Awardees Amy Anthony and Ron Terwilliger!

NLIHC invites all who care about homelessness and housing poverty in America to join us at NLIHC's 2017 Housing Leadership Awards Reception Tuesday, April 4 from 6 pm to 8 pm at the Washington Court Hotel in Washington DC to honor this year's awardees **Amy S. Anthony and J. Ronald Terwilliger.**

Each year, NLIHC honors two extraordinary individuals for their contributions to affordable housing. This year, former CEO and Founder of Preservation of Affordable Housing (POAH) Amy Anthony will receive the 2017 Cushing Niles Dolbeare Lifetime Service Award for her many years of dedication, service, and innovative leadership in producing and preserving affordable rental housing for low income households. Founder of the J. Ronald Terwilliger Foundation for Housing America's Families Ron Terwilliger will receive the 2017 Edward W. Brooke Housing Leadership Award for his outstanding contributions to elevating the national discussion on recalibrating federal housing policy to better serve the needs of low income households.

In addition to attending the reception, please make a contribution today to honor these two exceptional individuals! The Annual Leadership Reception is NLIHC's single fundraising event, the proceeds of which constitute a significant part of NLIHC's budget.

For more information or questions, please contact Christina Sin at csin@nlihc.org or 202-507-7453.

United for Homes

UFH Webinar on Mobilizing New Partners in Health, Education, Labor, and Transportation, March 8

The United for Homes (UFH) campaign continues its series of monthly webinars for current campaign endorsers with "New Partners, New Voices: Expanding the United for Homes Campaign to Include Allies in the Health Care, Education, Transportation, and Labor Movements." This webinar will explore how endorsers of the UFH campaign can expand support among non-housing partners that share a vision for social justice. Bringing on endorsers from these sectors will be essential as the campaign builds beyond the current 2,310 UFH organizational and elected official supporters.

The webinar will take place on Wednesday, March 8 at 2:00pm ET. Attendees will learn about key messaging around the intersectionality of affordable housing and education, public health, wages, and transportation. The webinar will highlight approaches that have been successful in mobilizing groups from these and other sectors in support of rebalancing federal housing policy to ensure the lowest income people in America have decent, stable, and affordable homes.

Talking points on the relationship between affordable housing and other efforts to achieve social justice will be provided.

Register for the webinar at: http://bit.ly/2irHS2E

View the previous United for Homes webinar on media engagement at: http://bit.ly/2m4c0CL

If you are not already a UFH endorser, please join the campaign at: http://nlihc.org/unitedforhomes/support

If you are not sure if you are a UFH endorser, check the list of current endorsers at: http://bit.ly/2hXD7O1

Congress

Update on Healthcare Reform: Medicaid, Not Just the Expansion, at Risk

In his first address to Congress, President Donald Trump illustrated the controversy among GOP lawmakers on the Medicaid expansion aspects of the Affordable Care Act (ACA) by ensuring that "no one [would be] left out" of receiving coverage in the Republican ACA replacement. Rollback of the Medicaid expansion under the ACA would impact millions of low income people and would reduce funding for many housing-related services (see *Memo*, 2/27). An additional issue related to healthcare reform concerns a forthcoming piece of legislation to replace the ACA leaked on February 24th that would threaten Medicaid itself.

Representative Mark Walker (R-NC), chair of the Republican Study Committee, and Representative Mark Meadows (R-NC), chair of the Freedom Caucus, have already announced opposition to the leaked legislation primarily because of its provision to establish new age-based tax credits and creation of a "new entitlement program."

Advocates for low income families are troubled not only by the prospect of legislators rolling back Medicaid expansion, but also the bill's proposal to change the entire structure of Medicaid to either a block grant or per-capita capped form of financing. Mr. Trump presumably was referring to these options when he emphasized in his address the need for "flexibility" in Medicaid spending. The Center on Budget and Policy Priorities (CBPP) has laid out how either alternative would dramatically reduce Medicaid funding over time and leave states with fixed pools of money, unable to address the changing cost of health care standards or emerging health needs related to an aging population or a more acute emergency like a pandemic. There exist strong differences of opinions about block grants and per-capita financing among governors, with Governor Gary Herbert (R-UT) voicing his support for these features amid strong opposition to them from Democratic governors at their recent governors' meeting.

Restructuring of Medicaid would end the program as it is, forcing states to ration care and bear the risks of unanticipated cost increases. Such restructuring would also reduce states' ability to improve care while decreasing costs through innovations such as providing medical homes and housing-related services.

Housing advocates and partners can act now by sharing information in the links below, contacting members of Congress about what is at stake, and educating the public through op-eds, letters to editors, social media, and other means.

For more on the principles Mr. Trump cited in his address, go to: http://cnb.cx/2mKayD3

To view CBPP's new tool analyzing the impacts of ACA reform proposals, see: http://bit.ly/2kKwEs9

The leaked House of Representatives health bill is at: http://politi.co/2mg7gLU

A brief review of changes proposed in the bill is at: http://theatln.tc/2l8lzBQ

More on GOP opposition to the proposed replacement bill is at: http://bit.ly/2mtmCg8

More on the disagreement among GOP and Democratic governors on a per capita cap is at: http://nyti.ms/2mAtAMU

More from CBPP on why block grants could result in reduced coverage is at: http://bit.ly/2kMp00N

More from CBPP on why per capita caps and block grant structuring of Medicaid could reduce benefits, reduce coverage, cut payments to providers, and shift costs and risks to states overall is at: http://bit.ly/2lRWo66

CBPP state fact sheets on the impact of ACA repeal are at: http://bit.ly/2hqYDr9

Administration

Executive Order Requires Federal Agencies to Have Regulatory Reform Task Forces

President Donald Trump issued Executive Order (EO) 13777 requiring federal agencies like HUD to establish a Regulatory Reform Task Force and designate a Regulatory Reform Officer (RRO) to oversee the Task Force. The RRO and Task Force must carry out EO 13771 issued on February 3, requiring federal agencies to repeal at least two existing regulations if a new regulation is proposed and to ensure that the total cost of a new regulation combined with the cost savings from repealing two or more regulations is no greater than zero (see *Memo*, 2/6 and 2/13).

Each Regulatory Reform Task Force must evaluate existing regulations and make recommendations regarding which to repeal, replace, or modify. EO 13777 directs Task Forces to identify regulations that are outdated, unnecessary, or ineffective; that impose costs exceeding benefits; that eliminate jobs or inhibit job creation; or that derive from EOs or other Presidential directives that have been subsequently rescinded or substantially modified. NLIHC notes that these four issues could be addressed by earlier EOs that remain in force, EO 12866 and EO 13563. The new EO also requires Task Forces to identify regulations that create a serious inconsistency or otherwise interfere with regulatory reform, or that rely on data, information, or methods that are not publicly available or that are insufficiently transparent to meet the standard of reproducibility.

Regulatory Reform Task Forces must seek input from entities significantly affected, including consumers and non-governmental organizations.

Executive Order 13777, issued February 24, 2017, is at: http://bit.ly/2lTZPIQ

Budget

New CHCDF Report Shows Importance of Affordable Housing, Calls on Congress to Fund Vital Programs

A Place to Call Home: The Case for Increased Federal Investments in Affordable Housing, a new report released by the Campaign for Housing and Community Development Funding (CHCDF) and NLIHC, compiles the latest research showing how investments in affordable housing boost economic mobility, reduce poverty and homelessness, improve health outcomes, and strengthen the economy. The report includes more than 100 success stories of people and communities that have been positively impacted by federal affordable housing investments funded through HUD and USDA.

NLIHC, which coordinates and facilitates CHCDF, prepared this report in response to the threat of significant budget cuts to HUD and USDA programs in FY18. The report calls for Congress to lift the Budget Control Act spending caps set to resume in FY18, while maintaining funding parity between defense and non-defense programs, and to ensure the highest level of funding possible for affordable housing programs. "There is an overwhelming need for affordable homes in every state and congressional district," said Elayne Weiss, NLIHC senior policy analyst and principal author of the report. "Cutting investments in affordable housing will only make it harder for people with the greatest needs, including low income seniors, people with disabilities, veterans, and working families with children, to have an affordable and accessible place to call home."

The Place to Call Home report compiles funding data by state from HUD and USDA into one document and estimates the number of local jobs supported by HUD investments in each state. According to the report, investing in affordable housing strengthens the economy and supports job creation and retention. The report estimates that more than 500,000 jobs were supported through HUD investments in 2015 alone.

Diane Yentel, president and CEO of NLIHC, urges Congress to consider this report and the millions of lives in their districts that have been positively impacted by federal investments in critical programs before making any decisions about the upcoming budget. "While we need to address our nation's deficit over the long-term, we cannot and should not balance the budget by reducing necessary and important investments that serve people with the greatest needs." Ms. Yentel said. "Reducing federal investments in affordable housing will have a negative domino effect throughout many communities and the economy."

Affordable housing advocates are urged to contact your members of Congress and tell them to protect vital affordable housing, community development, and homelessness prevention programs from harmful spending cuts.

Contact your members of Congress at: http://bit.ly/2lBR7eM

A Place to Call Home: The Case for Increased Federal Investments in Affordable Housing is at: http://bit.ly/2ljnEed

To read all of the success stories from this report, go to: http://bit.ly/2miFZaH

Authors of this report will share their findings on a webinar, March 6, 3 pm - 4 pm ET. Register for the webinar at: http://bit.ly/2lYo20S

President Trump’s Proposed Funding Increase to Defense at the Expense of Other Programs Faces Opposition

Policy makers and advocates got an early glimpse at President Donald Trump’s FY18 budget proposal on February 28. The president’s budget would increase defense spending by $54 billion, paid for with dramatic cuts to other agencies, particularly the State Department and the Environmental Protection Agency. HUD could see its funding decrease by as much as 10-15% under the president’s budget proposal.

Many Congressional Republicans panned the president’s proposal, and Congressional Democrats voiced strong opposition. Senate Majority Leader Mitch McConnell (R-KY) said the Senate probably would not go along with Mr. Trump’s plan. "When we get to funding the government, obviously it'll be done on a bipartisan basis," he said. House Budget Chair Diane Black (R-TN) stated, “We’re doing our own budget. The president does his own budget. We’ll see how they match at the end of the day.”

Senate Minority Leader Chuck Schumer (D-NY) stated, "I think Democrats and Republicans are going to run away from [the president’s budget]." Congresswoman Nita Lowey (D-NY) said that she and other members of her party would “fight tooth and nail to protect services and investments that are critical to hardworking American families and communities across the country.”

Congress has not yet finished working on its FY17 spending bills. While Congress has until April 28, when the current Continuing Resolution (CR) expires, to either pass another CR or enact full spending bills, the House may take up its FY17 Defense spending bill as soon as this week. The remaining bills will follow, although it is unclear whether other agencies will be funder under a full-year CR or some combination of a CR and conventional spending bills.

House Financial Services Committee Votes on HUD Funding “Views and Estimates” for FY18

The House Financial Services Committee met in an open session on February 28 to approve the committee’s budget “views and estimates” for FY18, including those for HUD. The Committee stressed the importance of modernizing HUD and consolidating “overlapping and duplicative programs” in order to “allow for assistance to be targeted to individuals with the most acute need.”

The committee also voted to express their view against expanding the Housing Choice Voucher program: “The Committee believes that the public is better served not by expanding Section 8 but by reforming the program to target need so that public housing authorities can serve more people within existing funding levels.”

Ranking Member Maxine Waters (D-CA) introduced an amendment supporting full funding for HUD’s McKinney Vento Homeless Assistance Grants program. Representatives Gregory Meeks (D-NY) and Al Green (D-TX) introduced an amendment encouraging the committee to review spending for the HOME Investment Partnership Program and the Community Development Block Grant program, with the intention of reestablishing former spending levels. In total, ten amendments were introduced. None was approved.

The FY18 budget views and estimates were approved by a vote of 33 ayes and 25 nays.

A copy of the views and estimates is at: http://bit.ly/2mlQs5K

National Housing Trust Fund

HUD Has Approved Forty-one HTF Allocation Plans

HUD has approved 41 national Housing Trust Fund (HTF) Allocation Plans as of March 3. Of the 41, HUD has publicly identified 25: Arizona, Colorado, Connecticut, Delaware, Florida, Hawaii, Idaho, Indiana, Kentucky, Massachusetts, Minnesota, Montana, Nevada, New Hampshire, New Mexico, New York, North Dakota, Ohio, Oregon, South Carolina, South Dakota, Tennessee, Vermont, Virginia, and West Virginia.

The HUD Office of Community Planning and Development (CPD) publicly identifies the states that have approved HTF Allocation Plans only after the state's congressional delegation is notified and the state has obligated its HTF allocation by entering the required information into CPD's management information system, the Integrated Disbursement and Information System (IDIS).

The HTF statute requires each state to prepare an annual Allocation Plan showing how it will distribute the funds based on priority housing needs. The interim rule amended the Consolidated Plan (ConPlan) regulations by adding HTF-specific Allocation Plan requirements to the ConPlan's long-term Strategic Plan and Annual Plan rules. A state's Allocation Plan must describe the requirements to be met by entities applying for HTF funds and the criteria the state will use to select applications.

Allocation Plans must give funding priority to applications based on a number of features listed in the statute, including:

- The extent to which rents are affordable, especially for extremely low income households.
- The length of time rents will remain affordable.
- The project's merit. The interim rule gives as examples of merit: housing that serves people with special needs, housing accessible to transit or employment centers, and housing that includes green building and sustainable development elements.
- Geographic diversity. Neither the statute nor the interim rule explicitly mention rural areas.

NLIHC adds HUD-approved HTF Allocation Plans to its HTF Implementation webpage, http://nlihc.org/issues/nhtf/state-allocation-plans, as they are approved and as states make them available.

More information about the HTF is at: http://nlihc.org/issues/nhtf and on page 3-1 of NLIHC's *2016 Advocates' Guide* at: http://bit.ly/2kwFuFM

HUD

Dr. Ben Carson Confirmed as HUD Secretary

Dr. Ben Carson was confirmed as the 17th secretary of HUD by a vote of 58-41 on March 2. A number of Democrats, including Senators Sherrod Brown (D-OH) and Mark Warner (D-VA), joined all Republican Senators in support of the nominee.

Dr. Carson will manage a nearly $50 billion budget and an agency of approximately 8,000 employees who oversee most of the nation's affordable housing programs. Sheila Greenwood, formerly an assistant secretary at HUD under President George W. Bush and a lobbyist for Prudential Financial Inc., will serve as Dr. Carson's chief of staff. Other key HUD leadership positions requiring Senate confirmation, including deputy HUD secretary and director of the Federal Housing Administration (FHA), must now be filled.

In his confirmation hearing before the Senate Banking Committee and in written responses to questions for the record, Dr. Carson stated his belief that the federal government has an important role to play in supporting deeply poor households and families. He committed to expanding and improving federal housing programs and to enforcing federal fair housing laws. He gave strong support to rental assistance programs, public housing, Veterans Affairs Supportive Housing (VASH) vouchers, Community Development Block Grants, Choice Neighborhoods, and lead-abatement programs, and he recognized the role housing plays as a social determinant of health. He acknowledged that fair housing is the "law of the land" and committed to upholding and implementing the law.

In addition, Dr. Carson committed to advocating for housing to be included in the president's infrastructure package, agreed to consider hiring additional staff to enforce federal fair housing laws, and supported increasing efforts to help formerly incarcerated people reintegrate into their communities. Dr. Carson praised the Low Income Housing Tax Credit and said that healthy housing will be one of his priorities. He promised to call for continued investment to end homelessness for veterans, the chronically homeless, and children and families.

Dr. Carson affirmed he will advocate for increasing resources for affordable housing for people with the lowest incomes. "When it comes to deep affordability, though, removing all regulatory barriers won't get you there," Dr. Carson wrote. "It comes down to subsidy. Subsidy levels haven't changed appreciably under Democratic or Republican administrations. I think we can all agree that we will all make sure housing is a key consideration in every appropriations bill."

NLIHC congratulates Dr. Carson on his confirmation as HUD secretary and looks forward to working with him to ensure that the lowest income people in America have decent, accessible and affordable homes.

NLIHC's statement on Dr. Carson's confirmation is here: http://nlihc.org/press/releases/7566

Dr. Carson's responses to NLIHC's top 10 questions for the then-nominee are at: http://bit.ly/2hFAdKK

Government Accountability Office

GAO Report Describes Role of LIHTC Syndicators

The Government Accountability Office (GAO) issued a report describing the characteristics and role of syndicators in the Low Income Housing Tax Credit (LIHTC) market from 2005 through 2014. An alternative to direct investing in LIHTC properties is investing in funds established by for-profit and nonprofit syndicators.

The GAO surveyed 32 of 36 syndicators active as of October 2015, including 19 for-profits and 13 nonprofits. All of the for-profit syndicators and four nonprofit syndicators operated in more than ten states, and ten for-profit and two nonprofit syndicators operated in more than 40 states.

Collectively, the 32 syndicators raised more than $100 billion in LIHTC equity since 1986, helping to fund more than 20,000 properties with about 1.4 million units suitable for occupancy placed into service through 2014. Between 2005 and 2014, the 32 syndicators placed 10,170 properties with 779,723 units into service. The for-profit syndicators participated in about 64% of these properties (73% of the units), while the nonprofit syndicators participated in about 36% of the properties (27% of the units). Properties funded by the for-profit syndicators were, on average, 31 units larger than those funded by the nonprofit syndicators.

Although official counts of LIHTC properties and units do not exist, the GAO used a HUD research database to estimate that the 32 syndicators raised equity for about 75% of all properties (13,532) and 75% of all units (1,038,222) placed into service through the LIHTC program from 2005 through 2014.

Surveyed syndicators had 138 properties foreclosed upon, which represented about 1% of their collective LIHTC properties placed into service as of October 2015.

According to market participants interviewed by the GAO, syndicators play a number of roles in the LIHTC market. Syndicators help connect investors, who can claim tax credits for their investments, to project developers. Syndicators also evaluate deals, acquire properties, monitor construction, and conduct ongoing asset management.

Syndicators are typically compensated through an initial acquisition fee, usually a percentage of the gross equity raised (estimated to range from 2% to 5%), and an annual asset management fee. According to the surveyed participants, several factors influence whether an investor uses a syndicator. For example, a syndicator's knowledge of local or regional markets could help banks investing in LIHTC funds receive positive consideration under the Community Reinvestment Act (CRA), which encourages depository institutions to meet the credit needs of communities where they operate.

Low-Income Housing Tax Credit: The Role of Syndicators, GAO Report 17-285R, February 16, 2017, is at: http://bit.ly/2lii9g3

Information about the LIHTC program is on page 5-29 of NLIHC's *2016 Advocates' Guide* at: http://bit.ly/1Tn9sqm

Research

Massive Shortage of Affordable and Available Housing for America's Lowest Income Households

NLIHC released its new report, *The GAP: A Shortage of Affordable Homes*, on March 2. The report finds a shortage of 7.4 million affordable and available rental homes for extremely low income (ELI) renter households, those whose income is less than either the poverty guideline or 30% of their area median income (AMI), whichever is higher. Seventy-one percent of ELI renter households are severely-cost burdened, spending more than half of their income on housing. The report calls for rebalancing federal housing expenditures to serve households with the most critical housing needs.

ELI households face the largest shortage of affordable and available rental housing and most severe housing cost burdens of any income group. Thirty-five affordable and available rental homes exist for every 100 ELI renter households. As a result, 8.1 million ELI renter households are severely cost-burdened. They account for 73% of all severely cost-burdened renter households in the US. By comparison, 2.2 million very low income renters (with incomes between 31% and 50% of AMI), 700,000 low income renter households (incomes between 51% and 80% of AMI), and 100,000 middle income renter households (incomes between 81% of AMI and median income) are severely cost-burdened.

ELI renter households face a shortage of affordable and available rental homes in every state. The supply ranges from 15 affordable and available homes for every 100 ELI renter households in Nevada to 61 in Alabama. After Nevada, the states where ELI renters face the greatest challenges finding affordable homes are California (21/100), Arizona (26/100), Oregon (26/100), Colorado (27/100), and Florida (27/100). The affordable housing shortage for ELI households ranges from 8,700 rental homes in Wyoming to 1.1 million in California.

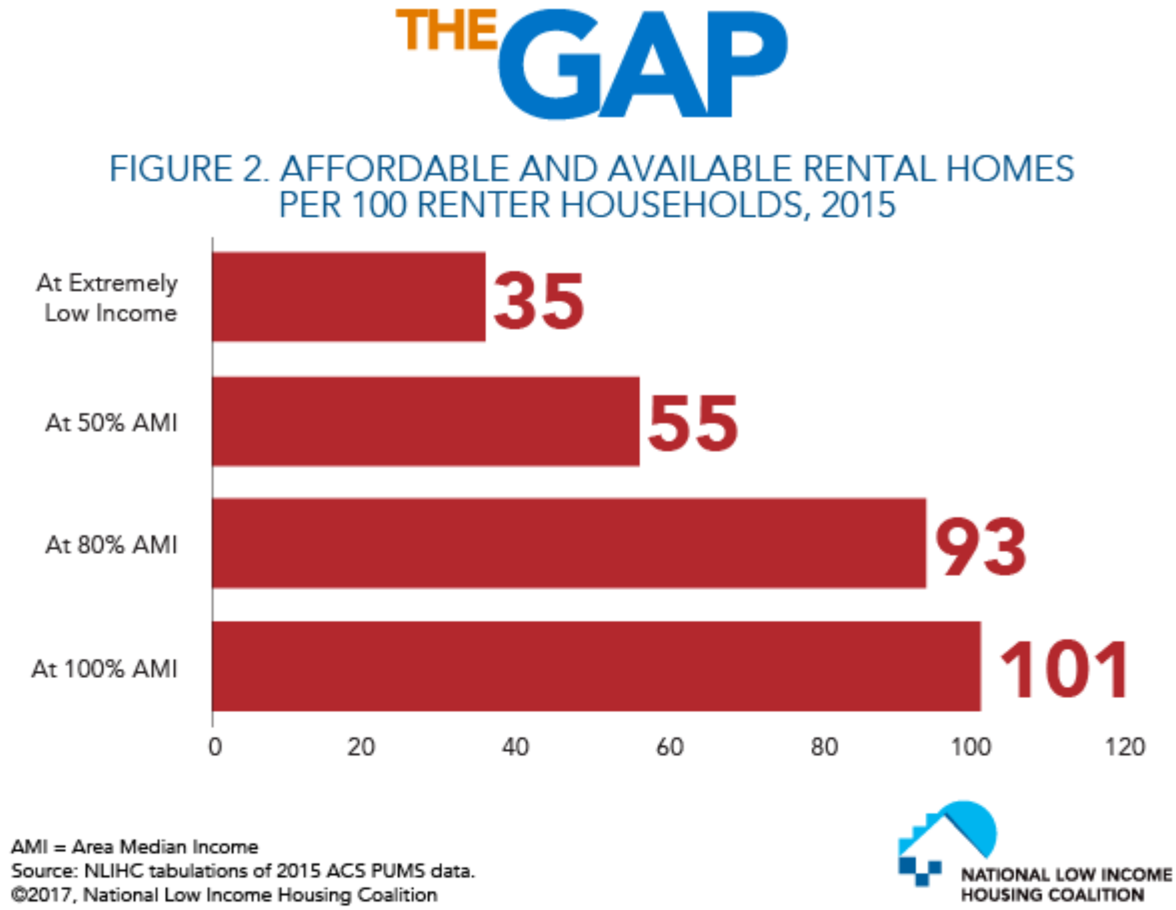
To close this gap, NLIHC calls for greater federal resources for deeply targeted housing programs and rental assistance. The NLIHC-led United for Homes (UFH) campaign proposes modest mortgage interest deduction (MID) reforms that would generate $241 billion in new revenue over ten years to invest in affordable housing programs like the national Housing Trust Fund (HTF), vouchers, and other subsidy programs that serve ELI households. UFH proposes reducing the amount of a mortgage eligible for a tax break from $1 million to $500,000 and converting the deduction to a non-refundable tax credit. The reduction to $500,000 would impact fewer than 6% of all mortgage holders nationwide, while the conversion to a credit would result in a tax cut for nearly 25 million lower income homeowners.

More details about the United for Homes campaign are available at: http://www.unitedforhomes.org/

The GAP: A Shortage of Affordable Homes is available at http://nlihc.org/research/gap-report

Fact of The Week

Only 35 Affordable and Available Rental Homes Exist for Every 100 Lowest Income Households



AMI=Area Median Income
Source: NLIHC tabulations of 2015 ACS PUMS data.

From the Field

Hawaii Legislators Work to Block Expanded Inclusionary Zoning in Honolulu

The City of Honolulu and Hawaii state legislators are battling over a more ambitious city-wide inclusionary zoning policy announced by Honolulu Mayor Kirk Caldwell (D) during his State of the City address on February 16. His proposal would require all new developments of ten units or larger to have 5% of their units affordable to low income households living at or below 80% of the area median income (AMI). Fifteen percent of units would have to be affordable in developments located in designated areas near public transit. State Representative Beth Fukumoto (R) responded by introducing legislation to prevent inclusionary zoning ordinances that place such requirements on new middle- or low-income housing developments. Ms. Fukumoto argues that only luxury housing should be required to meet the set-aside requirements, and that municipal codes should not discourage developers who want to build for middle income households.

The affordable housing crisis in Hawaii is extreme, with only 74 affordable and available rental homes for every 100 low income households with incomes at or below 80% of area median incomes (AMI), according to NLIHC's report *The GAP: A Shortage of Affordable Housing*. Among all states nationwide, Hawaii has the second greatest shortage of affordable housing for the lowest income households. Mayor Caldwell hopes to see 800 new affordable homes built through inclusionary zoning for each year of his second term.

Currently, inclusionary requirements are only triggered when there is a change in zoning of the property or in a relatively small special development district. The mayor's proposal would apply across nearly all of the island of Oahu. Additionally, it would expand the term of affordability for housing built through inclusionary zoning, requiring units to remain affordable for 30 years rather than the 10 years currently required with zoning changes. The mayor's proposal also includes incentives for developers, such as reducing municipal fees for expenses like sewer service or building fees and providing real-estate property tax exemptions during all phases of construction.

Ms. Fukumoto's bill (HB 1549) has passed through two committees in the House of Representatives. Because it allows for inclusionary zoning requirements for developments serving households with incomes above 120% of AMI, it could pass through both houses. HB 1549 is supported by influential industry groups like the Hawaii Chamber of Commerce and the Building Industry Association of Hawaii.

Advocates have been vocal about the need for new affordable housing development tools at hearings for HB 1549 and have been joined in their efforts by the Office of Hawaiian Affairs, which advocates for Native Hawaiian causes. Data shared by advocates during hearings draws from the recent Hawaii Housing Planning Study published in December, 2016. The data demonstrate that the overwhelming majority of housing demand in the state is from low income households.

Read Mayor Caldwell's inclusionary zoning proposal at: http://bit.ly/2mU3ZOx

Read the Hawaii Housing Planning Study at: http://bit.ly/2m3lSeH

NLIHC in the News

NLIHC in the News for the Week of February 26

The following are some of the news stories that NLIHC contributed to during the week of February 26:

- "Ben Carson wins Senate confirmation as housing secretary," *Fox News*, March 2 at: http://fxn.ws/2lEnJFG
- "Competition critical to ensuring quality low-income housing," *The Hill - Blogs*, March 2 at: http://bit.ly/2mOxvpL
- "US is short 7.4 million affordable units for poor families, report says," *Washington Examiner*, March 2 at: http://washex.am/2mjYc81
- "10 Facts About Ben Carson, Secretary of Housing and Urban Development," *Harper's Bazaar*, March 2 at: http://bit.ly/2mmNLAI
- "Ben Carson confirmed to lead HUD," *The Baltimore Sun*, March 2 at: http://bsun.md/2mn0x2f
- "America's Affordable Housing Shortage, Mapped," *CityLab*, March 2 at: http://bit.ly/2m1mktK
- "Women Who Are Making a Difference," *Housing Finance*, February 27 at: http://bit.ly/2m8pDSl

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Lisa Marlow, Communications Specialist, x239
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Khara Norris, Director of Administration, x242
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Diane Yentel, President and CEO, x228