



**Volume 23, Issue 10**  
**March 12, 2018**

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## ***Memo to Members and Partners Takes One Week Hiatus***

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## **Budget and Appropriations**

### **Senate Democrats' Infrastructure Plan Includes \$62 Billion for Housing, Community Revitalization, Disaster Recovery, and Lead Remediation**

In response to President Trump's infrastructure plan released in February, Senate Democrats have released the "[Jobs & Infrastructure Plan for America's Workers](#)." The new plan proposes \$1 trillion in total federal spending, compared to Mr. Trump's \$200 billion. Unlike the President's proposal, the Democrats' infrastructure plan includes \$62 billion for neighborhood revitalization, lead remediation, affordable housing, and disaster recovery.

The Democrat's plan includes increased funding for public housing capital investments, the HOME Investment Partnerships Program, the national Housing Trust Fund, the Low Income Housing Tax Credit, Choice Neighborhoods, Community Development Block Grants, USDA's Rural Housing Service rental housing and homeowner assistance programs, and the Indian Housing Block Grant. The proposal also contains \$25 billion to help communities rebuild following 2017's disasters and build more resilient communities to reduce future devastation. The Senate Democrats propose several tax changes, including increasing top marginal tax rate for individuals to its previous 39.6% and the corporate tax rate to 25% (from 21%) to help finance the investment.

Read the full proposal at: <http://bit.ly/2IcRKbk>

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### **NLIHC and Partners Urge Congress to Prioritize Lowest Income Households in FY18**

NLIHC, the National Alliance to End Homelessness (NAEH), and the Center on Budget and Policy Priorities (CBPP) sent a letter to the House and Senate Appropriations Committees urging them to fund affordable housing programs at the highest level possible in FY18 and to use the additional funding made available by the bipartisan deal lifting the low spending caps to prioritize the housing needs of the lowest income people. Together, the three organizations called for an increase in public housing capital funds, Homeless Assistance Grants, and Housing Choice Vouchers "to help more of the nation's most vulnerable individuals and families live in safe, stable, affordable housing, allowing them to live with dignity and supporting their efforts to improve their lives."

After months of operating the federal government through Continuing Resolutions (CRs) at 2017 funding levels, Congress reached a bipartisan deal in February to lift the low spending caps on defense and domestic programs for FY18 and FY19. The Appropriations Committees must now divvy up these additional resources among various departments and programs before Congress can enact its final spending bills. The current CR expires on March 23. Congress may begin debate on the spending bills as early as Wednesday, March 14, although House and Senate leaders are grappling with several controversial policy riders that could delay enactment.

See the letter from NLIHC, NAEH, and CBPP at: <http://bit.ly/2DmdbD3>

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## **More than 60 Mayors Push for Increased Federal Funding for Public Housing**

A group of more than 60 mayors sent a [letter](#) to the leadership of the House and Senate Appropriations Committees urging Congress to provide more federal funding for public housing. The long-term budget agreement passed in February increased funding levels, and the mayors encourage the Appropriations Committees to “dedicate a portion of that increase to restore federal investment in public housing.” Many public housing units are in desperate need of repairs and cities “with ever shrinking budgets” need federal resources to ensure residents have safe, affordable homes. New York City Mayor Bill de Blasio tweeted his support, saying, “The feds have a duty to invest in our tenants and the homes they deserve.” Read the full letter at: <http://bit.ly/2DaRbef>

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## **Congress May Include Housing Credit Expansion and Improvements in Omnibus Spending Bill**

House appropriators expect to introduce a \$1.3 trillion omnibus FY18 spending bill as early as March 15. The omnibus includes all 12 spending bills for the current fiscal that started on October 1, 2017. The Senate may include an expansion of the Low Income Housing Tax Credit (Housing Credit) and important improvements to the program as part of its omnibus spending bill. The expansion and improvements were originally proposed by Senators Maria Cantwell (D-WA) and Orrin Hatch (R-UT) in the “Affordable Housing Credit Improvement Act of 2016” ([S. 548](#)). The changes would address the growing housing affordability crisis in America by expanding the Housing Credit program by 50% and making changes that would allow the program to serve more extremely low income households.

The House and Senate Appropriations Committees had to rewrite many of the bills after a budget deal passed in early February. The budget deal increased spending limits by \$143 billion, \$63 billion of which is for nondefense discretionary programs. House Transportation-HUD Subcommittee Chair Mario Diaz-Balart (R-FL) stated that his committee has finalized their bill, but several other subcommittees face disagreements on policy and funding issues. Congress will need to pass a FY18 spending bill by March 23 to avoid another continuing resolution.

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## **CHCDF Hosts Capitol Hill Briefing on Impacts of President’s FY19 Budget on Affordable Housing Programs**

The [Campaign for Housing and Community Development Funding](#) (CHCDF) hosted a Capitol Hill briefing, “An Overview of the President’s FY19 Budget Request for Affordable Housing and Community Development Programs,” on March 5 to provide national and local perspectives on Mr. Trump’s budget proposal and how the proposed funding levels would influence key programs. The briefing, attended by more than 60 staff from congressional offices and moderated by NLIHC senior policy analyst Elayne Weiss, featured Sacramento Mayor Darrell Steinberg, who spoke about the difficulties facing local governments and the need for robust federal housing funding. Mayor Steinberg has made affordable housing a priority for his administration and has joined the bi-partisan coalition, [Mayors and CEOs for U.S. Housing Investment](#).

Doug Rice of the Center on Budget and Policy Priorities provided an overview of the president’s budget proposal, which would cut the overall HUD budget by \$6.8 billion and eliminate vital affordable housing resources like the national Housing Trust Fund, the Public Housing capital fund, and the HOME Investments Partnership program. Pat Sheridan of Volunteers of America shared the challenges his organization would face

as a housing provider if the president's proposed cuts to HUD and USDA affordable housing programs were enacted.

Kathy Myers, a U.S. Army veteran and retired nurse spoke about how she was able to move into a HUD-assisted housing community and avoid homelessness after her home fell into foreclosure. She shared her gratitude for her new community and urged Congress to provide enough resources so that others in need could have the same opportunity she had to live in an affordable home.

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## **House Financial Services Committee Approves FY19 Budget Views and Estimates**

The House Financial Services Committee approved its FY19 Budget Views and Estimates by a vote of 32 to 25 on March 6. This document is submitted to the House Budget Committee for consideration in preparing the FY19 budget resolution. While several Democratic representatives offered amendments that would increase funding for public housing, affordable housing creation and preservation, homelessness prevention, and community development programs, the Republican majority rejected many of them.

In her opening remarks, Ranking Member Maxine Waters (D-CA) strongly criticized President Donald Trump's FY19 budget proposal, calling it a "total abandonment of the effort to provide safe, decent, and affordable housing for millions of children, families, seniors, and veterans." She noted that the administration's proposed cuts would completely eliminate the national Housing Trust Fund, the Capital Magnet Fund, and the HOME Investment Partnerships Programs.

The Committee adopted two amendments that would increase funding for capital repairs to public housing and strengthen the oversight of landlords participating in the Housing Choice Voucher program. Representative Nydia Velazquez (D-NY) offered these amendments, noting the relationship between illness and poor living conditions in public housing and citing a number of questionable landlord practices occurring in her district. The Committee also adopted an amendment from Representative Al Green (D-TX) to ensure HUD quickly and efficiently disburses disaster recovery aid in order to prevent, in his words, "the disaster after the disaster."

In response to recent reports about HUD Secretary Ben Carson's questionable use of funds, Mr. Green also proposed an amendment calling for an investigation of the HUD procurement process. This amendment passed.

Republicans dismissed several amendments from Democrats that would restore or increase funding for important HUD programs that address homelessness and the lack of affordable housing. Ms. Waters proposed adding measures to better address homelessness and asked for a hearing on the issue. Representatives Stephen Lynch (D-MA) and Dan Kildee (D-MI) introduced amendments that would restore funding for programs zeroed out in Mr. Trump's budget proposal, including the Choice Neighborhoods Initiative and Community Development Block Grants. Chair Jeb Hensarling (R-TX) rejected these and other amendments because they were not submitted prior to the hearing.

For more information on the vote, including the text of the Budget Views and Estimates and amendments, as well as the archived webcast, go to: <http://bit.ly/2HgQFxl>

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## **Senate Appropriations Chair Cochran to Step Down**

Senator Thad Cochran (R-MS), chair of the Senate Appropriations Committee, announced on March 5 that he will resign from the Senate on April 1, citing ongoing health challenges. Mr. Cochran first won election to the Senate in 1978, serving almost seven terms. Senator Richard Shelby (R-AL) is next in line to lead the powerful

funding committee and will most likely not face challenges from other Republicans. It is unclear if the subcommittee chairmanships will change as a result of Senator Cochran's retirement. Mississippi Governor Phil Bryant will select a temporary replacement to fill Mr. Cochran's seat until the special election in November. Read Senator Cochran's statement at: <http://bit.ly/2FoSqMf>

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## **Congress**

### **Senate Considers Bill That Would Put Health and Safety of Many Public Housing Residents at Risk**

The Senate debated a bill, the "[Economic Growth, Regulatory Relief and Consumer Protection Act](#)" (S. 2155) on March 8 that includes provisions that would undermine the physical integrity of many public housing developments, putting the health and safety of residents at risk and destabilizing communities. The bill also incorporates the "Protect Tenants at Foreclosure Act" and the "Family Self-Sufficiency Act," which provide important protections and opportunities for low income renters. NLIHC sent a [letter](#) to the Senate outlining its concerns. The Senate will not vote on the bill until at least next week because the two parties were unable to agree on which of the 141 amendments filed so far will be heard.

HUD rules currently provide a concrete, quantitative measure to evaluate the performance of small public housing authorities (PHA). S. 2155 eliminates that measure and gives HUD discretion for labeling a small PHA as "troubled." The bill states that a small PHA may be designated as troubled if HUD determines the PHA has failed to maintain its properties "in a satisfactory physical condition," but the legislation does not define what that entails. Such an unclear and subjective standard could lead to poor outcomes in enforcement and oversight, putting tenants' health and safety at risk.

The bill would also postpone physical inspections for public housing for three years, unless the small PHA has been deemed troubled under the new, vague definition. Current HUD rules allow only the highest performing small PHAs to receive physical inspections every three years. Currently, those PHAs categorized as standard or substandard are inspected every two years, and those rated as troubled are inspected every year. S. 2155 would also apply a less rigorous standard for evaluating the physical conditions of a small PHA's properties.

NLIHC sent a letter to Senators Mike Crapo (R-ID) and Sherrod Brown (D-OH) on December 7 with its concerns about the legislation. Read the letter at: <http://bit.ly/2BA3NiD>

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## **Disaster Housing Recovery**

### **Disaster Housing Recovery Coalition Provides Policy Recommendations for Puerto Rico and Other Impacted States**

The NLIHC-led Disaster Housing Recovery Coalition of more than 700 organizations provided a [comprehensive set of policy recommendations](#) that advocates can use with state governors to ensure that Community Development Block Grant–Disaster Recovery (CDBG-DR) Action Plans provide a fair and equitable recovery. These recommendations draw from those the DHRC submitted to Congress, FEMA, and HUD in September 2017 in the aftermath of the devastating hurricanes and wildfires, and they reflect steps state governments can take to ensure that disaster recovery resources reach all impacted households, including those with the lowest incomes who are often the hardest-hit by disasters and have the fewest resources to recover afterwards.

A separate [set of recommendations](#) specific to the Puerto Rico CBGB-DR Action Plan was submitted to HUD in written testimony by NLIHC President and CEO Diane Yentel, on behalf of the DHCR, in response to a week-long series of public information sessions held on the island. These recommendations highlight the unique challenges in Puerto Rico, including the large number of homeowners without clear title, the need for alternative methods to accept public input, and the widespread and high rates of poverty, particularly in rural and mountainous regions.

All of the recommendations emphasize the need for deploying recovery funding to ensure all households – including homeowners, renters, and people experiencing homelessness – receive the housing assistance they need to get back on their feet, providing investments in public infrastructure and environmental remediation to meet the needs of low income people and communities, and adopting transparent data collection and reporting standards.

Read the DHRC state disaster recovery recommendations at: <http://bit.ly/2IhQoMs> and testimony to HUD on the Puerto Rican CDBG-DR Action Plan at: <http://bit.ly/2FoaxCF>

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## **DHCR Publishes Disaster Recovery Priorities for FY18 Spending Bill**

The NLIHC-led Disaster Housing Recovery Coalition (DHCR) published its top [disaster recovery priorities](#) for Congress to include in any final FY18 omnibus spending bill. Congress may begin debate on the spending bill as early as March 14, although House and Senate leaders are grappling with several controversial policy riders that could delay enactment.

The top disaster recovery priorities include directing FEMA to work with HUD to stand up the Disaster Housing Assistance Program, which provides low income survivors with the stable housing they need to get back on their feet. Other priorities include extending the use of Transitional Shelter Assistance, promoting job opportunities for low income residents, rebuilding federally assisted housing on a one-for-one basis, and requiring states to meet the housing needs of homeowners, renters, and people experiencing homelessness, among others.

We encourage advocates to include these priorities as they continue to reach out to congressional offices about FY18 spending.

See the DHRC’s top disaster housing recovery priorities for the FY18 spending bill at: <http://bit.ly/2FwzeZJ>

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## **NLIHC Provides Spanish Version of its Outline of the CDBG-DR Federal Register Notice**

A [Spanish version](#) of NLIHC’s “Outline of the CDBG-DR Federal Register Notice” is now available thanks to Francisco Rodriguez from Coalición de Coaliciones de Puerto Rico. The outline is designed to help residents and advocates understand the requirements related to an Action Plan, public participation, and reporting before Community Development Block Grant-Disaster Recovery (CDBG-DR) funds are provided. NLIHC’s outline is based on the February 9, 2018 *Federal Register* notice that applies to the \$7.4 billion in CDBG-DR funds Congress appropriated on September 8, 2017. Of that amount, HUD awarded \$5 billion to Texas, \$1.5 billion to Puerto Rico, \$616 million to Florida, and \$243 million to the Virgin Islands. The Spanish version is at: <http://bit.ly/2IbA6ET> and the English version is at: <http://bit.ly/2o11kk2>

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## **Congressman Curbelo Urges FEMA to Extend Transitional Shelter Assistance for Monroe County**

Congressman Carlos Curbelo (FL) urged FEMA on March 9 to extend the Transitional Shelter Assistance (TSA) Program for Monroe County residents beyond March 11. The [letter](#) to FEMA Secretary Brock Long cited Governor Rick Scott's estimate of 10,000 of the Keys' 75,000 residents as homeless after Hurricane Irma made landfall. Mr. Curbelo stated, "This program (TSA), which provides short-term lodging assistance to disaster survivors dislocated from their homes, has been a critical component of the hurricane recovery effort in the Florida Keys."

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## **Additional Updates on Disaster Housing Recovery – March 12**

The following is a review of additional housing recovery developments related to Hurricanes Harvey, Irma, and Maria, and the California wildfires since last week's *Memo to Members and Partners* (for the article in last week's *Memo*, see [3/5](#)). NLIHC also posts this information at our [On the Home Front](#) blog.

### **Hurricane Maria**

#### **HUD**

The Federal Housing Administration (FHA) announced a 60-day [extension of a foreclosure moratorium](#) for FHA-insured homeowners in Puerto Rico and the U.S. Virgin Islands. Lenders and servicers will suspend foreclosure actions until May 18, 2018. FHA has several other options and resources to help homeowners impacted by Hurricane Maria.

### **Hurricane Irma**

#### **FEMA**

A FEMA [update](#) provides additional numbers regarding the recovery efforts in Florida. The Sheltering and Temporary Essential Power (STEP) program, which funds emergency home repairs, has approved 189 projects with 69 under construction and another 69 completed. FEMA provided direct housing, travel trailers, and apartments to 318 households in Collier, Hendry, Lee, and Monroe counties. More than 27,000 households stayed in FEMA/state funded hotel rooms, and survivors received \$173 million for home repairs and \$497 million to help pay rent.

The Transitional Shelter Assistance (TSA) program ended [March 10](#) for Hurricane Irma survivors in Florida. This program provides temporary emergency housing through FEMA-funded hotel rooms. FEMA reported on March 6 that of the 27,303 households that participated in the program, more than 26,000 had exited the program into longer-term housing.

A FEMA program that provides prescription assistance for uninsured disaster survivors has been extended through [March 14](#) for survivors in the U.S. Virgin Islands. The program provides free 30-day replacements of certain drugs and medical supplies for eligible survivors.

### **Local Perspectives**



Florida lawmakers are moving to [sweep money from the state's affordable housing trust fund](#) to increase spending related to the aftermath of the February 14 shooting at Marjory Stoneman Douglas High School in Parkland, FL. The Legislature had been planning to provide much more funding for affordable housing, particularly after Hurricanes Irma and Maria worsened the already tight housing market. After the February shooting, lawmakers want to use housing trust fund resources to fund more school resource officers, child welfare case managers, mental health programs, and training for teachers who volunteer to carry guns in schools. Many Democrats have objected to sacrificing affordable housing, even if they support many of the proposed measures.

## **Hurricane Harvey**

### **FEMA**

FEMA has granted an [extension](#) of the TSA program for survivors in Texas. The extension is approved through April 23 with an eligibility review on April 2.

### **Local Perspectives**

A group of tenants and advocates held a [rally](#) outside Houston City Hall on February 27. Community members shared testimony about hazardous and subpar housing conditions and the impact Harvey had on their already poorly maintained housing. The rally received mixed reactions from City Council members. Houston area tenants are encouraged to share their stories using the hashtags #OutofOrder and #descompuesto.

### **From Our Partners**

The National Consumer Law Center released a [resource guide](#) for obtaining mortgage relief following a disaster. The guide provides an overview, some essential resources, and details on the various forms of relief available to survivors.

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## **HUD**

### **New Draft HUD Mission Statement Removes Anti-Discrimination Language**

A HUD memo from March 5 announced Secretary Ben Carson's consideration of revising the agency's mission statement and removing anti-discrimination language and promises of inclusive communities. The [modified mission statement](#) reads: "HUD's mission is to ensure Americans have access to fair, affordable housing and opportunities to achieve self-sufficiency, thereby strengthening our communities and nation." The draft statement removes previous references to creating "inclusive and sustainable communities free from discrimination." The memo was circulated to senior political staff at HUD and sought input on the changes. Advocacy groups across the country immediately objected to the proposed modifications.

The Fair Housing Task Force (FHTF), of which NLIHC is a member, submitted a [letter to Dr. Carson](#) signed by 573 organizations and individuals – 164 national organizations and 409 state or local groups and individuals – condemning HUD's decision to drop the anti-discrimination language. The letter states in part: "We urge you in the strongest possible terms to reverse course and retain language in your agency's mission statement that reflects one of HUD's most important responsibilities: enforcement and promotion of the Fair Housing Act. Many of our organizations worked diligently with HUD to ensure that this language would be included in HUD's mission statement as a public acknowledgement that this part of HUD's responsibilities is every bit as important as its role in providing resources for housing and community development." The letter highlights the

fact that 2018 is the fiftieth anniversary of the Fair Housing Act. Members of the FHTF will seek a meeting with Secretary Carson to discuss their concerns.

“By removing the anti-discrimination language from HUD’s mission statement, Secretary Carson is sending a message to the country that he does not take discrimination in the housing market seriously,” said NLIHC President and CEO Diane Yentel. “Federal housing policy created the segregated communities that exist today - and federal, state and local governments have an obligation to reverse these trends by furthering fair housing. Thankfully, the law trumps a mission statement, so those legal obligations remain.”

The changes to the mission statement follow several other troubling decisions by Dr. Carson regarding fair housing, including HUD’s [suspension](#) of the 2015 Affirmatively Furthering Fair Housing (AFFH) rule earlier this year. A HUD [statement](#) regarding their new mission promises that “HUD has been, is now, and will always be committed to ensuring inclusive housing, free from discrimination for all Americans.”

Read the Fair Housing Task Force letter at: <http://bit.ly/2Df19eA>

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## **NLIHC Submits Comments on HUD Suspension of AFFH Rule**

NLIHC submitted comments regarding HUD effectively suspending without warning the Affirmatively Furthering Fair Housing (AFFH) rule on January 5. Even though the suspension was immediate, the [Federal Register notice](#) announcing it invited public comment.

The notice suspended most local governments’ obligation under the AFFH rule to submit an Assessment of Fair Housing (AFH) until after October 31, 2020, and in the vast majority of cases until 2024. The AFFH rule requires local governments to conduct an Assessment of Fair Housing using an “Assessment Tool” to assist them in meeting their obligation to affirmatively further fair housing. The suspension effectively postpones full implementation of the AFFH rule until 2024 for a large majority of jurisdictions (see *Memo*, [1/8](#)).

NLIHC strenuously opposes the suspension. During this 50<sup>th</sup> anniversary year of the Fair Housing Act, instead of retreating, HUD should be moving forward to expedite efforts to reduce segregation and foster greater housing opportunity for people in protected classes. HUD’s decision is a serious loss for fair housing and puts the promise of making every neighborhood a community of opportunity further out of reach. NLIHC called on HUD to reverse its decision, withdraw the notice, and move ahead with implementation and enforcement of the Affirmatively Furthering Fair Housing rule.

HUD rationalized its abrupt suspension by citing issues with some of the 49 initial AFH submissions. A mere 17 were not “accepted” upon initial submission, nine of which were ultimately accepted.

HUD indicated in the *Federal Register* notice that program participants need additional technical assistance in drafting AFHs that have clearer AFFH goals, metrics, and milestones. NLIHC commented that rather than taking the drastic action of suspending the entire AFFH rule until 2024 for the vast majority of program participants, HUD should have accelerated and augmented its technical assistance. In addition, HUD should have exercised a degree of patience with the small first and second cohorts of AFH submissions, learned from their experiences, and prepared for the major cohort of submissions originally scheduled for 2019.

To the extent there was a need for more time to adjust to the new Assessment Tool, HUD should have consulted stakeholders instead of halting implementation without warning. HUD’s precipitous action is inconsistent with the long and thorough manner in which the AFFH rule and the AFH Assessment Tool were promulgated and enacted from 2010 through January 13, 2017 in accordance with the Administrative Procedure Act and the

Paperwork Reduction Act. By effectively suspending the AFFH rule without warning, HUD seems to be evading these laws.

The suspension aligns with HUD's recent attempt to suspend the Small Area Fair Market Rent (FMR) rule, which was enjoined by a court as violating the Administrative Procedure Act. The district court found that HUD should have provided proper public notice and opportunity for comment related to the Small Area FMR rule suspension before proceeding.

NLIHC's comment letter is at: <http://bit.ly/2oZwhtx>

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## **HUD Releases Updated “Residents’ Rights and Responsibilities” Brochure**

HUD's Office of Multifamily Housing Programs issued an updated version of its brochure, “Residents' Rights and Responsibilities.” The seven-page brochure summarizes key rights and responsibilities for tenants living in HUD-assisted multifamily housing. It also offers resources and contact information for tenants needing assistance. Owners must provide applicants and tenants with a copy of “Resident Rights’ and Responsibilities” at move-in and annually at recertification.

Page 3 of the brochure includes information about residents’ rights to organize and the rights of resident organizations. Page 5 highlights rights residents have regarding decisions affecting their homes, like increases in rents or renewals of project-based Section 8 contracts. Page 8 describes residents’ rights to enhanced vouchers if an owner decides to not renew a Section 8 contract.

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## **Federal Home Loan Banks**

### **FHFA Proposes Amendments to Affordable Housing Program Regulations**

The Federal Housing Finance Agency (FHFA) is proposing wide-ranging changes to the regulations governing the Federal Home Loan Banks’ (Banks) Affordable Housing Program (AHP). The proposed amendments would allow the Banks to establish special competitive funds that target specific affordable housing needs in their districts and design and implement their own project selection scoring criteria, among many other provisions. Many affordable rental projects receive AHP gap financing, including a number of national Housing Trust Fund projects awarded funds in 2016. FHFA provided an [advance copy](#) of its proposed rule changes on March 6. The formal *Federal Register* version is yet to be posted.

There are 11 Federal Home Loan Banks whose members are local lending institutions. Each Bank must annually contribute to its AHP 10% of its net income from the preceding year, subject to a minimum annual combined contribution by all of the Banks of \$100 million. The current AHP regulation authorizes two programs: a mandatory Competitive Application Program and optional Homeownership Set-Aside Programs. Currently, each Bank is required to allocate at least 65% of its required annual AHP contribution to its Competitive Application Program. Each Bank may allocate 35% of its required annual AHP contribution or \$4.5 million, whichever is greater, to fund its Homeownership Set-Aside Programs. Under the Competitive Application Program, Bank members apply to the Banks for AHP subsidies on behalf of project sponsors, which are typically nonprofit affordable housing developers. Under the Homeowner Set-Aside Program, members apply to the Banks for AHP subsidies, which are provided to low or moderate income homebuyers or homeowners for the purchase or rehabilitation of homes.

FHFA proposes to eliminate the Competitive Application Program and its required 65% minimum annual allocation to AHP. In its place, FHFA proposes a three-program scheme:

1. Requiring Banks to allocate at least 50% of their annual AHP obligation to a new General Fund;
2. Allowing Banks to annually allocate the greater of 40% or \$4.5 million to Homeownership Set-Aside Programs; and
3. Allowing Banks to annually allocate up to 40% to a maximum of three Targeted Funds.

If a Bank chooses not to establish Homeownership Set-Aside Programs or Targeted Funds, it would allocate 100% of its required annual AHP contribution to its General Fund. If a Bank chooses to allocate the maximum 40% to Homeownership Set-Aside Programs, it could allocate up to 10% for Targeted Funds or to its General Fund.

NLIHC has concerns about the proposed reduction in a Bank's minimum 65% contribution to the Competitive Application Program, which primarily addresses affordable rental housing development, to 50% in a new General Fund. From 1990 to 2016, the Banks awarded approximately \$4.4 billion under the Competitive Application Program, assisting over 660,000 homes, 77% of which were rental homes. In 2016, rental homes constituted almost 94% of total Competitive Application Program units.

FHFA acknowledges that the change to the 50% General Fund will potentially result in reduced funding for rental projects, but justifies the amendment due to demand for Homeownership Set-Aside funds exceeding the current 35% maximum. FHFA also states that if Banks establish new Targeted Funds, those resources are likely to be targeted to rental housing. FHFA also reasons that even if a Bank allocates 40% to Homeownership Set-Aside programs, the remaining 10% could be allocated to rental housing in the General Fund.

The proposed new Targeted Fund option would allow a Bank to allocate up to 40% of its annual AHP contribution to a maximum of three competitive Targeted Funds. The purpose of Targeted Funds is to allow Banks to address specific unmet needs in their region. Any uncommitted Targeted Funds would be transferred to the General Fund. Banks could establish only one Targeted Fund in the first year, but could add an additional Targeted Fund at one-year increments, up to the maximum of three.

The current regulation has a 100-point selection system. The proposed rule would alter the scoring criteria in a number of ways but allow Banks to tailor their selection system as long as certain priorities are met.

The proposed rule would require each Bank to ensure that at least 55% of all rental units in rental projects receiving General Fund or Targeted Fund assistance are targeted to very low income households, those with incomes at or below 50% of the area median income.

The proposed rule would establish requirements for three priorities: underserved communities and populations, affordable housing preservation, and creating economic opportunities. The proposed rule would require each Bank to ensure that at least 55% of its annual AHP contribution is awarded under the General Fund and any Targeted Funds to projects that, in the aggregate, meet at least two of the three priorities. Meeting the priorities would be achieved by addressing one or more of the specified housing needs included under the priority and awarding at least 10% of the funds to projects meeting each of the priorities.

Regarding the priority for underserved communities, the proposed rule would:

- Increase the number of units reserved for homeless households from 20% to 50%.
- Refine the special needs housing priority by including only projects that provide supportive services or access to supportive services for the specific special needs population being served.
- Continue to include people who are elderly, disabled, HIV/AIDS positive, recovering from physical abuse, or recovering from alcohol or drug abuse. The proposed rule would expand the list of special needs populations to include formerly incarcerated persons, unaccompanied youth, and victims of domestic violence, dating violence, sexual assault or stalking.

- Include housing for other targeted populations, like agricultural workers, military veterans, persons with disabilities (not requiring supportive services), Native Americans, multi-generational households, and households requiring large units. The proposed rule would set the minimum threshold for the number of units reserved for such targeted populations at 50% to encourage projects dedicated to serving the needs of these populations.
- Retain housing in rural areas, but redefine “rural area” to conform with FHFA’s Duty to Serve regulations.
- Include rental projects in which at least 20% of the units are reserved for extremely low income people, those with incomes less than 30% of the area median income.

Regarding the priority for affordable housing preservation, the proposed rule would create scoring criteria for the first time. The proposed rule would score preservation of projects assisted with a variety of federal programs, including properties assisted with Section 8, Section 236, Section 202, Section 811, Section 515, McKinney-Vento Homeless Assistance, and Low Income Housing Tax Credits.

Comments will be due 60 days after the formal *Federal Register* version is posted.

More information about AHP is on page 5-40 of NLIHC’s [2017 Advocates’ Guide](#). (The *2018 Advocates’ Guide* will be available soon.)

## Criminal Justice

### White House Creates Interagency Council on Crime Prevention and Reentry

President Trump [announced](#) on March 7 the creation of a Federal Interagency Council on Crime Prevention and Improving Reentry. The new Interagency Council will bring together 11 different federal departments and agencies, including HUD, to identify policies and programs that will reduce crime rates and recidivism by addressing barriers, including lack of access to housing, faced by people with criminal records.

The executive order states that the federal government is obligated to reduce crime, enhance public safety, and “prioritize efforts to prevent youths and adults from entering or reentering the criminal justice system.” The Council will develop recommendations for reforms to analyze effective ways to overcome barriers or disincentives to participation in programs related to education, housing, job placement, and other efforts to re-integrate offenders into society.

Attorney General Jeff Sessions, Assistant to the President for Domestic Policy Andrew Bremberg, and Senior Advisor to the President Jared Kushner will serve as the co-chairs. The council will submit an initial plan and timeline within 90 days and a report with recommendations within the next year.

## Research

### One in Ten Young Adults Experienced Homelessness over 12-Month Period

Chapin Hall at the University of Chicago released a research brief on youth homelessness, [Missed Opportunities: Youth Homelessness in America, National Estimates](#), which examines the size and characteristics of the youth population experiencing homelessness. The brief finds that one in ten young adults (ages 18 to 25) and one in thirty youths (ages 13 to 17) experienced homelessness over the course of a year.

Previous attempts to collect data on youth homelessness have been challenging due to the transitory and hidden nature of the experience. *Missed Opportunities* attempts to address these challenges by using data collected from a 12-month period, rather than a single-night count, and employing a broader definition of homelessness that includes youths who couch-surf (moving from one temporary living arrangement to another) in addition to those staying in shelters or sleeping on the streets. The national survey interviewed 26,161 people by phone. Respondents were asked about occurrences of homelessness experienced by themselves (for respondents between the ages of 18 and 25) or a member of their household (for adult respondents living with a young person between the ages of 13 and 25).

Seventy-two percent of youths and young adults (ages 13 to 25) who had experienced “literal homelessness,” such as sleeping in a car or on the street, also said they had couch-surfed during their period of homelessness. Among those experiencing homelessness, 29% reported substance abuse problems and 69% had mental health difficulties. African American, Hispanic, LGBTQ, unmarried parents, and young adults who did not graduate high school were more likely to have experienced homelessness. Of these risk factors, lacking a high school diploma was the most strongly correlated with a higher risk of homelessness. Young adults who did not graduate high school were 4.5 times more likely to experience homelessness than those who had graduated.

Approximately one-third of young people experiencing homelessness had been in foster care and approximately half had been in juvenile detention, jail, or prison. The authors suggest that with adequate public support these institutions could provide important entry points for homelessness prevention services. The authors note the need for additional federal resources for outreach and drop-in centers to identify at-risk students. They also emphasize the need to tailor interventions in partnership with homeless youths so that interventions are more effectively informed by the diversity of their lived experiences.

*Missed Opportunities: Youth Homelessness in America, National Estimates* is available at: <http://bit.ly/2APhENF>

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## **Wage Inequality Grows Over the Past Decade, but Minimum Wage Laws Help**

A report by Elise Gould of the Economic Policy Institute, *The State of American Wages 2017*, shows the growing inequality in earnings between high-wage and low-wage workers. From 2000 to 2017, the highest-wage workers (at the 95<sup>th</sup> percentile) saw their wages grow by 21.5%, while the lowest-wage workers (at the 10<sup>th</sup> percentile) saw an increase of 4.1%. In 2000, the highest-wage workers earned 5.4 times more than the lowest-wage workers. By 2017 that disparity grew to 6.1. Policy tools like minimum wage legislation can help mitigate these inequalities.

Between 2016 and 2017, Hispanic workers at all wage levels saw wage growth, with greater gains for median-wage, low-wage (30<sup>th</sup> percentile) and lowest-wage workers than for high-wage Hispanic workers. By comparison, black workers at most income levels saw a small decline in wages except for low-wage and the lowest-wage workers. Median-wage and the lowest-wage white workers, who on average have higher wages than their black and Hispanic counterparts, saw a small decline in wages. The authors suggest that the wage growth among the lowest-wage black and Hispanic workers is likely attributable to increases in state minimum wages.

Between 2013 and 2017, the lowest-wage workers in states with minimum wage increases saw wage growth of 5.2%, while the lowest-wage workers in states without minimum wage increases experienced wage growth of 2.2%. The effect was particularly strong for women. Wages for the lowest-wage female workers grew by 5.1% in states with minimum wage increases and by only 0.8% in states without. Minimum wage increases might also explain why workers with less than a high school diploma have seen 7% wage growth since 2000.

Along with increasing the minimum wage, the article includes several other policy recommendations. Reaching full employment would raise wages because lower unemployment results in more competition for workers and higher wages. The author suggests the Federal Reserve should refrain from interest rate increases that would reduce the amount of money in the economy and make full employment more difficult to obtain. The reports' other recommendations include expanding eligibility for overtime benefits and strengthening collective bargaining rights.

*The State of American Wages 2017* is available at: <http://bit.ly/2I4hbMb>

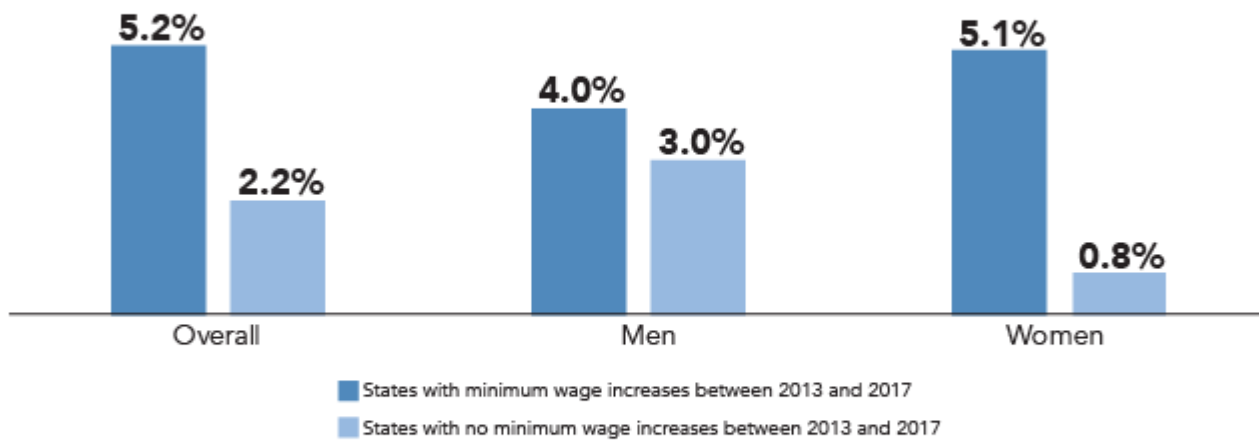
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## Fact of the Week

### Increases in Minimum Wages Correspond to Greater Wage Growth for Lowest Income Workers

#### Wage growth at the bottom was strongest in states with minimum wage increases between 2013 and 2017

10th-percentile wage growth from 2013 to 2017, by presence of state minimum wage increase between 2013 and 2017 and by gender



Source: EPI analysis of Current Population Survey Outgoing Rotation Group microdata

Notes: Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, New York, Ohio, Oregon, Rhode Island, South Dakota, Vermont, Washington, Washington, D.C., and West Virginia increased their minimum wages at some point between 2013 and 2017. Sample based on all workers ages 18–64.

From: <https://www.epi.org/publication/the-state-of-american-wages-2017-wages-have-finally-recovered-from-the-blow-of-the-great-recession-but-are-still-growing-too-slowly-and-unequally/>

Source: EPI analysis of Current Population Survey Outgoing Rotation Group microdata. See: <http://bit.ly/2DbzITd>

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## From the Field

### Illinois Advocates Make the Case for Sealing Many Eviction Records

Housing advocates in Illinois are proposing new legislation that would protect renters unfairly penalized for being a defendant in an eviction hearing. Currently, thousands of Illinois renters are routinely turned away by landlords even though their eviction cases were dismissed. Renters with eviction records face such discriminatory treatment even when they won in court, the disputes were settled before trial, or the evictions were filed in error. [House Bill 4760](#) (HB 4760), introduced by Representative Theresa Mah (D), would address such unjust disqualifying rejections by requiring that all eviction records to be sealed at the time of initial filing and that only final eviction judgements be made public. Leading the charge in support of the bill are Housing Action Illinois, an NLIHC state partner, and the Lawyers' Committee for Better Housing (LCBH). The two organizations co-authored a March 7 report, "[Prejudged: The Stigma of Eviction Records](#)," which presents a compelling argument in support of HB 4760 with data and personal stories.

Data analysis in *Prejudged* shows that of the 105,272 completed residential eviction cases in Cook County from 2014 to 2017, only 61% ended with a ruling of eviction in favor of the landlord. The success of landlords in eviction hearings might not be even that high if not for the fact that only 12% of renters have legal representation during the court process, compared 81% for landlords. In addition to this disparity in access to counsel, many renters may not be getting a full and fair hearing before the court: *Prejudged* shows that 33% of all completed eviction cases and more than half of all eviction judgements were determined at the initial court appearance, most often decided after mere minutes with a judge. Housing Action Illinois and LCBH estimate that each year more than 15,000 renters in Cook County were saddled with public eviction records despite having no eviction orders issued against them.

In addition to data showing issues related to eviction proceedings and judgements, *Prejudged* includes several accounts and perspectives from attorneys, renters and landlords, including one from a landlord who argues that a broader consideration of the context related to an eviction case` when screening prospective tenants can lead to better outcomes. The report features the story of one woman who agreed to an "as-is" lease extension but who then faced eviction when her apartment became difficult to inhabit during building renovations. Another story is that of an individual who was never evicted or given an eviction notice, but his landlord had filed for eviction before immediately settling the matter; eight years later, the renter was denied an apartment for an eviction filing he had never even known about.

Sometimes eviction filings list renters who have done nothing wrong. *Prejudged* tells the story of a renter in a condominium whose landlord was being evicted by the condo association for unpaid fees. Despite a perfect rent payment history and no lease violations, the renter would later face discrimination because of the hearing where she was listed as a defendant. She would later get her eviction record sealed through a complicated legal process that is difficult to navigate without an attorney.

Staff at LCBH point out that eviction filings, regardless of the judgement, are extremely detrimental to a renter's ability to find housing and can often even prevent a household from accessing subsidized affordable homes. Many examples shared in *Prejudged* were resolved with the help of legal assistance, but there are not nearly enough low-cost or pro bono attorneys to serve all renters being incorrectly rejected for eviction filings.

The policy recommendations in *Prejudged* go beyond HB 4760. The report also urges giving Illinois residents the civil right to counsel when faced with evictions, as has recently been established in New York City. Funding for court reporting is also highlighted as needed in Cook County, where court reporters have been absent from eviction court since 2006. The report goes on to suggest limits on apartment application fees, which can be



costly for many renters unjustly rejected because of eviction records. And the report recommends greater support for the Illinois Homeless Prevention Program, which provides eviction prevention services and leads to fewer court filings.

“People shouldn’t be harmed by online court records that don’t accurately reflect their ability to be a good tenant,” says Bob Palmer, policy director at Housing Action Illinois. “HB 4760 is intended to protect tenants whose cases could eventually be sealed under current law and others and others from ever having the case come up in online records that unfairly damage their ability to secure housing in the future.”

Read *Prejudged: The Stigma of Eviction Records* at: <http://bit.ly/2FECfuh>

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## Event

### **NLIHC to Host Webinar on Policy Priorities for Lobbying Congress, March 13**

NLIHC will host a Capitol Hill Lobby Day on the last day of our Housing Policy Forum on March 21st. Lobby Day is an opportunity for advocates to use the knowledge gained at the Forum to educate their members of Congress and their staffs on the positive impact affordable homes have on families and communities and the need for more investments in affordable housing. In preparation for Lobby Day, NLIHC will be hosting a “Policy Priorities” [webinar](#) on Tuesday, March 13th at 3:00 pm ET. The webinar will highlight NLIHC’s legislative goals and specific requests to bring up in meetings on Lobby Day or whenever you are lobbying your members of Congress this year. Register for the webinar [here](#). If you are new to lobbying, check out a recording of a recent NLIHC “Lobbying 101” webinar [here](#).

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## NLIHC in the News

### **NLIHC in the News for the Week of March 4**

The following are some of the news stories that NLIHC contributed to during the week of March 4:

- “A basic need: American infrastructure must include housing,” *The Hill*, March 8 at: <http://bit.ly/2IeYwNU>
  - “Ben Carson's housing agency drops pledge to end housing discrimination,” *Yahoo! Travel*, March 7 at: <https://yhoo.it/2Db538s>
  - “High housing costs and long commutes drive more workers to sleep in cars,” *Curbed*, March 6 at: <http://bit.ly/2toCB36>
  - “Portland children caught in the middle of housing crisis,” *Chron.com*, March 3 at: <http://bit.ly/2tvoAkk>
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## NLIHC News

### **NLIHC’s *The Gap: A Shortage of Affordable Homes* Report to be Released Tomorrow, March 13**

NLIHC will release its new report *The Gap: A Shortage of Affordable Homes* tomorrow, March 13, and will invite advocates to join us for a tweetstorm on its findings from 2:00 pm-3:00 pm ET. America is experiencing

an extreme shortage of affordable homes, especially for those with the lowest incomes. NLIHC's *The Gap* report finds a shortage of over 7 million affordable and available rental homes for extremely low income (ELI) renter households, those with incomes at or below the poverty level or 30% of their area median income. There are just 35 affordable and available units for every 100 ELI renter households nationwide, and 71% of ELI renter households are severely housing cost-burdened, spending more than half of their incomes on housing.

Stay tuned tomorrow for more information on the report and the tweetstorm.

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## **NLIHC Welcomes Chantelle Wilkinson as National Multi-Sector Housing Campaign Coordinator**

NLIHC is pleased to welcome Chantelle Wilkinson as its new multi-sector housing campaign coordinator.

Chantelle will coordinate multiple facets of a new long-term, multi-sector campaign to meet the housing needs of the lowest income people in America. NLIHC, the National Alliance to End Homelessness, the Center on Budget and Policy Priorities, Make Room, and Children's HealthWatch initiated the campaign to mobilize powerful new constituencies beyond housing - in education, healthcare, civil rights, child welfare, faith-based, and others – that are increasingly recognizing the impact the inability to afford decent housing has on the well-being of the people they serve.

Chantelle comes to NLIHC from New York where she worked as a budget analyst for the state legislature. There she assisted with enacting housing and transportation policies. In 2016, she worked on the Breathing Lights Campaign with the Center for Women in Government and Civil Society. The campaign highlighted the issues of dilapidated vacant housing in the capital region of New York State and spurred collaboration from many sectors including the arts, community organizations, neighborhood ambassadors, project administrators, and government officials. Chantelle received her BA in Political Science with minors in Latin American/Caribbean Studies and Spanish, and her MA in Public Administration, both from the Rockefeller College of Public Affairs and Policy at the University at Albany.

The new multisector housing campaign will officially launch during the [NLIHC 2018 Housing Policy Forum](#) on March 20.

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## **NLIHC Seeks Graphic Design/Communications Intern for the 2018 Summer Semester**

NLIHC is accepting applications for a graphic design/communications intern for the summer. Interns are highly valued and fully integrated into our staff work. We seek students passionate about social justice issues who have excellent graphic design, communications, and interpersonal skills.

The graphic design/communications intern assists with designing collateral material like brochures, flyers, infographics, social media imagery, and content on the NLIHC website. The intern also prepares and distributes press materials, assists with media research and outreach for publication releases, works on social media projects, maintains a media database, and tracks press hits. Graphic design and Adobe Creative Cloud (Illustrator, InDesign, and/or Photoshop) experience is needed. Please provide three design samples and/or link to an online portfolio in addition to a writing sample.

Summer Interns are expected to work 40 hours a week, and NLIHC provides a modest stipend. A cover letter, resume, and writing/graphic design samples are required for consideration.

Interested students should send their materials to: Ellen Errico, Creative Services Manger, NLIHC, 1000 Vermont Avenue, NW, Washington, DC 20005 via email to: [eerrico@nlihc.org](mailto:eerrico@nlihc.org)

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## Where to Find Us – March 12

NLIHC President and CEO Diane Yentel and other NLIHC staff will be speaking at the following events in the coming months:

- [Make Room Journalism Study Tour](#), Houston, TX on March 27
  - [Annual Fair Housing Conference](#), Little Rock, AK on April 5
  - [Housing First Partners Conference 2018](#), Denver, CO, April 10 -12
  - [PolicyLink 2018 Equity Summit](#), Chicago, IL on April 13
  - [South Carolina Housing Conference](#), Columbia, SC on April 17-18
  - [2018 Building Michigan Communities Conference](#), Lansing, MI, April 30 to May 2
  - Provider Alliance to End Homelessness, Los Angeles, CA on May 17
  - [2018 Denver Housing Summit](#), Denver, CO on May 24
  - Virginia Housing Alliance Annual Luncheon, Richmond, VA on June 14
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## NLIHC Staff

Sonya Acosta, Policy Intern, x241

Andrew Aurand, Vice President for Research, x245

Victoria Bourret, Housing Advocacy Organizer, x244

Josephine Clarke, Executive Assistant, x226

Dan Emmanuel, Senior Research Analyst, x316

Ellen Errico, Creative Services Manager, x246

Jared Gaby-Biegel, Research Intern, x249

Ed Gramlich, Senior Advisor, x314

Paul Kealey, Chief Operating Officer, x232

Emma Kerr, Research Intern, x229

Mike Koprowski, Director, Multisector Housing Campaign, x317

Joseph Lindstrom, Manager, Field Organizing, x222

Lisa Marlow, Communications Specialist, x239

Lauren McMahan, Graphic Design and Communications Intern, x252

Sarah Mickelson, Senior Director of Public Policy, x228

Isaiah Milbauer, Field Intern, x252

Khara Norris, Director of Administration, x242

James Saucedo, Housing Advocacy Organizer, x233

Christina Sin, Development Manager, x234

Debra Susie, Disaster Housing Recovery Coordinator, x227

Elayne Weiss, Senior Policy Analyst, x243

Chantelle Wilkinson, Housing Campaign Coordinator, x230

Renee Willis, Vice President for Field and Communications, x247

Diane Yentel, President and CEO, x228