NATIONAL LOW INCOME HOUSING COALITION

Memo TO Members

Volume 21, Issue 10
March 14, 2016

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NLIHC Leadership Reception and Housing Policy Forum

Celebrate Barbara Lee and Nancy Bernstine at Leadership Awards Reception, April 5

Join us on April 5, 6-8 pm, at the Washington Court Hotel in Washington DC to celebrate the affordable housing contributions of U.S. Representative Barbara Lee (D-CA) and Nancy Bernstine at the 2016 NLIHC Leadership Awards Reception. Representative Lee will receive the 2016 Edward W. Brooke Housing Leadership Award for being a forceful and progressive voice in Congress for social, economic, and housing justice on behalf of the most vulnerable in her district and nationwide, and especially for her early, consistent, and vocal leadership on the National Housing Trust Fund. Ms. Bernstine will receive the 2016 Cushing N. Dolbeare Lifetime Service Award in recognition of her many years of affordable housing advocacy as executive director of the National AIDS Housing Coalition, NLIHC board member, and policy leader at the National Housing Law Project and the McAuley Institute.

To register for the Leadership Reception and/or make a contribution on behalf of this year's awardees, go to: http://nlihc.org/events/leadership/registration.

Join us for **NLIHC's 2016 Housing Policy Forum** on April 3-5, but register soon because the event is almost full.

This year's Policy Forum will feature HUD Secretary Julián Castro, U.S. Senator Tim Kaine (D-VA), former U.S. Representative Barney Frank, author Kathryn Edin, *Washington Post* writer Emily Badger, and many others. The Forum will also be an opportunity to celebrate the leadership of long-time NLIHC President and CEO Sheila Crowley, who is retiring in April, and to welcome the Coalition's incoming President and CEO Diane Yentel.

Featured sessions at this year's Policy Forum include:

- HUD Priorities for 2016 and Beyond with HUD Secretary Julián Castro;
- Housing and Criminal Justice Reform with U.S. Senator Tim Kaine (VA-D);
- Reflections on *$2 a Day: Living on Almost Nothing in America,* with the book's author, Kathryn Edin;
- Discussion on the findings from *The Family Options Study: Short-Term Impacts of Housing and Services Interventions for Homeless Families*, with the report's lead researcher, Marybeth Shinn;
- Housing in the Media with *Washington Post* writer, Emily Badger;
- Affordable Housing Past, Present and Future with NLIHC President and CEO Sheila Crowley and Incoming NLIHC President and CEO Diane Yentel;
- Housing in the 2016 Elections;
- Affirmatively Furthering Fair Housing;
- National Housing Trust Fund Implementation;
- A Dinner Celebration of Retiring NLIHC President and CEO Sheila Crowley with former U.S. Representative Barney Frank;
- Resident Session on Section 3, RAD, and the preservation-mobility balance under AFFH;
- And more.

To register for the Forum, go to: http://nlihcforum.org/

National Housing Trust Fund

HUD Secretary Addresses NHTF Schedule

At the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies (THUD) hearing on March 10 (see article below), HUD Secretary Julián Castro discussed the schedule for distribution of the NHTF. In response to a question from Senator Brian Schatz (D-HI), the Secretary responded, "We expect the first allocations of the Housing Trust Fund will be made this summer. There's a timeline here that will kick off basically in April where states will have to submit to us a state allocation plan and then we'll have 45 days to respond to that. So we are confident that the timeline now for the states that are the most timely to submit their plan will be in the summer. And we look forward to that because, as you mentioned, the [NHTF] is important because it's serving extremely low income individuals, [who] suffer from the biggest gap in affordability for housing that's out there. So it's a unique tool that we can use to fill that gap."

NLIHC is working with state level advocates who will participate in the development of their state's NHTF allocation plans. HUD has posted the names of 48 state agencies (including the District of Columbia and Puerto Rico) with the contact people who will administer the NHTF at https://www.hudexchange.info/programs/htf/grantees/.

Federal Budget

Senate Subcommittee Holds Hearing on FY17 HUD Budget Request

On March 10, the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies (THUD) held a hearing on HUD's FY17 budget request. HUD Secretary Julián Castro and HUD Inspector General David Montoya testified.

In her opening remarks, Subcommittee Chair Susan Collins (R-ME) said that HUD's request is nearly $2 billion more than its FY16 funding level, a request that "does not exist in a vacuum and must be considered in the broader context of an unstable $19 trillion debt." Senator Collins added, "In an environment when the top line remains flat, the increase of four percent over current levels proposed in the president's budget would be extremely challenging. Yet rather than submit a budget request that seeks to bend the cost curve of rental assistance without doing so on the backs of low-income families and seniors, the Administration proposes new spending of $750 million above what is needed to maintain existing rental assistance, plus an additional $11.3 billion in new mandatory spending that lacks an offset and is simply a gimmick intended to evade the current budget agreement."

Senator Collins noted that while the Office of Management and Budget (OMB) expects FHA receipts, which are used to offset HUD appropriations, to be $2.8 billion above FY16 levels, the Congressional Budget Office's (CBO) "baseline score for fiscal year 2017 is more than $400 million below current levels and $2.7 billion below the OMB's assumption, an enormous discrepancy." She said the subcommittee should assume lower receipt levels as a precaution until CBO finishes scoring the president's budget request.

Senator Collins also discussed the benefits of the Community Development Block Grant (CDBG) program and of homeless assistance, particularly for youth, and she emphasized the need for more oversight and management of federally subsidized housing. She was "troubled" to learn of egregious examples of poor housing conditions in several states but was "even more troubled to learn that some of these properties initially received passing inspections scores from HUD before public outcry compelled a second look."

In explaining the Administration's request for increased HUD funding, Secretary Castro said, "Today, a quarter of American renters spend more than half of their incomes on housing. And too many families are forced to cut back on food, on health care, and other basic necessities just to put a roof over their head. That's why the President's Budget proposes to increase HUD's funding to $48.9 billion, $1.9 billion over the enacted level for Fiscal Year 2016."

Both Chair Collins and Ranking Member Jack Reed (D-RI) questioned why the Administration failed to request funds for the Veterans Affairs Supportive Housing (VASH) program now for the second year in a row. Secretary Castro responded that HUD did not request funds for new VASH vouchers because there were already enough vouchers available for the population served by the program, and that other mainstream resources at HUD were available to continue the progress in ending veteran homelessness. He also pointed out that the VASH program failed to serve certain veterans because of their discharge status, including those who were discharged under the former "don't ask, don't tell" policy.

Senator Reed discussed the problem of lead paint in federally assisted housing, an issue that particularly affects cities in his home state of Rhode Island, and asked when HUD was going to update blood lead intervention regulations. Secretary Castro reported that HUD, on March 8, submitted a proposed new rule to OMB that would bring HUD standards up to those used by the Centers for Disease Control and Prevention (CDC). (See separate article in this week's *Memo*.) He noted that HUD has recommended grantees conform to the CDC standard since 2013, but said he understood that "strongly encouraging" is not the same as requiring. The proposed rule will also include more robust notification requirements for certain individuals who learn of elevated blood levels in children. Secretary Castro said he looked forward to working with Congress on improving HUD's lead standards through the proposed rule and newly introduced legislation.

Senator Steve Daines (D-MT) raised concerns about over-income tenants living in public housing, an issue that was recently the subject of a HUD Office of Inspector General report. Secretary Castro responded to the senator that HUD shared his concern, particularly with regard to several egregious cases, and was working to address it through rulemaking. He cautioned, however, that any change in policy must be nuanced to account for families whose incomes increase to just above the income limits. HUD Inspector General Montoya later testified that since 2004, public housing authorities have had the ability to remove extremely over-income families but have failed to do so. Mr. Montoya also raised the issue of what will be defined as "extremely over-income" under any new policy.

The hearing webcast and documents are at: http://www.appropriations.senate.gov/hearings/hearing-to-review-the-fy17-hud-budget-request

Budget Resolution Still Elusive

Another week has passed with the prospects of an FY17 budget resolution growing dimmer. On the Senate side, any budget resolution that attempts to undo the $30 billion increase in discretionary spending approved in a compromise agreement last fall would require Republicans who are running for re-election to vote for cuts to entitlements, something they are loathe to do. Such a budget resolution would also upend the FY17 appropriations process. Senate appropriators are proceeding without a new budget resolution, operating under the assumption that the funding levels approved in the two year sequester relief agreement will hold.

In the House, Budget Committee Chair Tom Price (R-GA) may or may not convene the committee to mark-up a budget resolution during the week of March 14. Ultra conservatives remain steadfast in their opposition to allowing the $30 billion increase in discretionary spending to occur without corresponding cuts to entitlement programs. Democrats on the committee will oppose any resolution, so it is unclear if Mr. Price can get the votes to pass a resolution.

More House Appropriations Subcommittees to Hold Hearings

The House Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies will hold a March 15 hearing on the budget for the Department of Transportation (DOT) and HUD's Office of Inspector General. HUD Inspector General David Montoya and DOT Inspector General Calvin Scovel will testify. The hearing will be at 2:00pm ET in room 2362-B of the Rayburn House office building.

The House Appropriations Subcommittee on Financial Services and General Government will hold a hearing on the FY17 budget request for the Department of Treasury on March 16. Treasury Secretary Jacob Lew will be the only witness. The hearing will be at 10:00 am ET in room 2359 of the Rayburn House office building.

Congress

Bills to Protect Children from Lead Poisoning Introduced in House and Senate

On March 3, Senators Richard Durbin (D-IL) and Bob Menendez (D-NJ), and Representatives Keith Ellison (D-MN) and Mike Quigley (D-IL) introduced the "Lead-Safe Housing for Kids Act of 2016" (S. 2631/H.R. 4694) in the Senate and House respectively. The bills would protect children living in federally assisted housing from lead poisoning. While lead poisoning rates have fallen since the federal government enacted lead polices in the 1990s, the problem persists. Lead poisoning disproportionately impacts the children of minority and low income families.

The bills would require HUD to implement preventive measures and revise its blood lead intervention regulations to reflect the level used by the Centers for Disease Control and Prevention. The bills also would require HUD to issue rules that mandate an initial risk assessment for lead-based hazards in low income housing constructed prior to 1978 before a family with a child under six years olds moves in. More rigorous examination than a mere visual inspection would be required for an initial risk assessment. The bills remove the lead inspection exemption for studio apartments that will be occupied by families with children under six years old, and they provide an emergency transfer process for families without penalty or loss of assistance if a lead hazard is found in the home and a child has an elevated blood lead level. Finally, the measures would require the Government Accountability Office to submit a report to Congress with policy proposals on how to better detect and remediate lead hazards in federally assisted housing. The bills would authorize appropriations sufficient to carry out their requirements for five years.

"We must address the affordable rental housing crisis by providing homes that are both safe and affordable. It is wrong to force families to choose between affordable housing and safe housing," said Representative Ellison when introducing the House bill. "While we have come a long way in reducing lead poisoning, millions of children are still at risk because of outdated regulations and examination techniques. We must provide the resources to allow the Department of Housing and Urban Development to provide lead-free homes to America's children when it updates its lead regulations to current standards."

Senator Durbin stated: "We know that there is no safe level of lead for children, yet the Department of Housing and Urban Development regulations seem to ignore this fact. We must invest in prevention which has unparalleled cost savings for society. Every dollar spent on lead hazard control yields a return of $17 to $221 in savings. Most importantly, lead poisoning prevention preserves a child's ability to reach his or her full potential. American children are depending on this legislation. It can't wait."

The bills have been referred to the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Energy and Commerce. Representatives Dan Kildee (D-MI) and Brenda Lawrence (D-MI) are also cosponsors of H.R. 4694.

Learn more about the Senate version of the bill at: https://www.congress.gov/bill/114th-congress/senate-bill/2631

Learn more about the House version of the bill at: https://www.congress.gov/bill/114th-congress/house-bill/4694

Legislation Introduced to Update HOPWA Funding Formula

On March 3, Representatives David Price (D-NC) and Robert Aderholt (R-AL) introduced a bill (H.R. 4704) to update the funding formula for HUD's Housing Opportunities for Persons with AIDS (HOPWA) program to better target resources to people living with HIV/AIDS. The "Housing Opportunities for Persons with AIDS Modernization Act of 2016" would require HUD to count cases of people living with HIV/AIDS rather than cumulative AIDS cases. Currently, HOPWA funds are distributed based on cumulative AIDS cases, representing people who are living with and who have died from AIDS. AIDS housing advocates have been working for years to update the formula. The change will allow jurisdictions with increasing populations of people living with HIV/AIDS to receive more funding.

H.R. 4704 would also require HUD to develop regulations that incorporate a poverty factor and a housing cost factor in the updated formula. HOPWA grantees who received an allocation in FY16 may still be eligible to receive future funds, subject to approval by HUD and the amount of funding Congress allocates to the program. HUD must reassess a grantee's eligibility at least once every 10 years.

Mr. Price and Mr. Aderholt previously had sponsored a similar proposal that was attached as an amendment to the "Housing Opportunity through Modernization Act of 2015" (H.R. 3700). H.R. 3700 passed the House with bipartisan support and now awaits action in the Senate.

H.R. 4704 has been referred to the House Committee on Financial Services.

Learn more about the bill here: https://www.congress.gov/bill/114th-congress/house-bill/4707

HUD

HUD Modifies Enhanced Voucher Policy for "Over-Housed" Families

HUD's Office of Public and Indian Housing (PIH) issued Notice PIH-2016-02 on March 4, amending policies regarding "over-housed" families receiving enhanced vouchers. A family is considered over-housed if it is living in a unit with more bedrooms than the family is qualified for according to a public housing agency's (PHA's) subsidy standard.

Enhanced Vouchers (EVs) are provided to tenants living in properties with private, project-based assistance when a "conversion action" takes place, such as when a project-based Section 8 contract expires and the owner decides to "opt out" and not renew the contract. Prepayment of certain unrestricted HUD-insured mortgages (generally Section 236 and Section 221(d)(3) projects) is another type of conversion action.

Enhanced Vouchers have two special features that make them "enhanced" for residents:

1. A household receiving an EV has the right to remain in their previously assisted home, and the owner must accept the EV as long as the home continues to be used as rental property. Instead of accepting an EV, a household may move right away with a regular voucher. If a household accepting an EV chooses to move later, its EV converts to a regular voucher.

2. An EV pays the difference between a tenant's required contribution toward rent and the new market-based rent charged by the owner after the housing conversion action even if that new rent is greater than the PHA's basic voucher payment standard. A PHA's regular voucher payment standard is between 90% and 110% of the Fair Market Rent (FMR). EV payment standards must be adjusted in response to future rent increases.

PHAs must issue EVs based on a PHA's subsidy standard, not the size of the unit the family is occupying at the time of the conversion action. The subsidy standard is the "family unit size," the smallest number of bedrooms a PHA determines that a family needs without being overcrowded. New in Notice PIH-2016-02 is a requirement that a PHA approve requests for a larger bedroom size if necessary as a reasonable accommodation for a household with a family member who has a disability.

If an over-housed family wishes to remain at a property with an EV after a conversion action, the property owner must identify all available appropriate-size units at the property and the family must move to one of those units. If a family refuses to move, the family must pay the difference in rent.

New in Notice PIH-2016-02, if an appropriate size unit is not available, but a unit with fewer bedrooms sufficient for the family is available, the family must move to the smaller unit within a reasonable time. The PHA determines "reasonable time," but it must not be longer than 30 days. If a family refuses to move, the family will have to pay the difference in rent.

If there are no appropriate size units, the family may remain in their over-sized unit and the value of their EV will be based on rent of the over-sized unit. Once an appropriate size unit becomes available, the family must move to it, again within a reasonable time not to exceed 30 days.

Notice PIH-2016-02 adds that a PHA must develop a policy and amend its administrative plan regarding "reasonable time." This policy must include a detailed procedure regarding exceptions to allow for an extension of time when moves within the established timeframe would create an extreme hardship.

Also new with Notice PIH-2016-02 is a requirement that a PHA take appropriate steps to ensure effective communication with people who have disabilities and take reasonable steps to ensure meaningful access by people with limited English proficiency.

Notice PIH-2016-02 supersedes Notice PIH-2008-12 and the over-housed provisions in PIH Notice 2001-41.

Notice PIH-2016-02 is at http://portal.hud.gov/hudportal/documents/huddoc?id=PIH-2016-02.pdf

More information about enhanced vouchers is on page 4-50 of NLIHC's 2015 Advocates' Guide, http://nlihc.org/sites/default/files/Sec4.15_Vouchers-Tenant-Protection_2015.pdf

HUD Releases Proposed State AFFH Assessment Tool for Comment

On March 11, HUD's Office of Fair Housing and Equal Opportunity published a notice in the *Federal Register* announcing a proposed Assessment Tool that must be used by states and Insular Areas to complete an assessment of fair housing (AFH) as required by HUD's Affirmatively Furthering Fair Housing (AFFH) rule. The proposed Assessment Tool for states and Insular Areas and instructions for completing it are posted on the HUD Exchange AFFH webpage. (The Insular Areas are American Samoa, Guam, the U.S. Virgin Islands, and the Northern Marianas Islands and will be referred to as "states" here.)

States do not have to submit an AFH until they are required to have a new 5-Year ConPlan on or after January 1, 2018. Until then states are required to use the current Analysis of Impediments process. An Assessment Tool for local governments that are required to submit Consolidated Plans was finalized on December 31, 2015 (see *Memo*, 1/11).

The *Federal Register* notice describes the state Assessment Tool as a series of questions designed to help states identify "fair housing issues," which HUD considers to be areas with racially and ethnically concentrated poverty, patterns of integration and segregation, disparities in access to opportunity, and disproportionate housing needs. The AFFH rule and the Assessment Tool further describe fair housing issues and their "contributing factors." The Assessment Tool asks questions that enable states to meaningfully assess fair housing issues and contributing factors and to set fair housing goals and priorities.

The Assessment Tool requires states to examine fair housing issues not only that exist within the state, but that may extend beyond the state's boundaries to an adjoining state or a broader multi-state region. States may also perform their analyses using sub-state areas.

The Assessment Tool has a section focused on the Low Income Housing Tax Credit (LIHTC) program, asking questions pertaining to a state's Qualified Allocation Plan (QAP). States are to identify provisions of a QAP or other state or local laws or policies that might influence the location of LIHTC units. It asks which protected class groups are living in LIHTC units in areas with relatively high levels of segregation, in racially or ethnically concentrated areas of poverty, and in areas of opportunity. States are also asked how QAP provisions might affect families with children, people with disabilities, and elderly people. States are asked to describe any indications of discrimination by LIHTC properties against voucher holders or members of a protected class.

The Assessment Tool also asks questions about other state-administered programs including HOME, Community Development Block Grants (CDBG), the National Housing Trust Fund, state housing trust funds, tax increment financing, and tax-exempt bonds.

As with the Assessment Tool for local governments, the state Assessment Tool requires an analysis of disparities in access to opportunity, including access to education, employment, transportation, low-poverty neighborhoods, and environmentally healthy neighborhoods. The state Assessment Tool also seeks analysis relating to a state's policies and programs affecting protected classes with respect to emergency preparedness, prisoner re-entry, public health, public safety, and housing and financial opportunities. Regarding housing and financing opportunities, HUD asks states to describe any laws, policies, and practices affecting access to affordable rental housing, homeownership, and mortgages.

The Assessment Tool's section pertaining to people with disabilities is substantially different from the others, asking states to describe their efforts to assess the extent to which people with disabilities live in segregated settings, existing *Olmstead* plans or anticipated *Olmstead* planning efforts, and efforts to implement remedial preferences to provide housing in integrated, community-based settings for people with disabilities.

The *Federal Register* notice strongly encourages qualified public housing agencies (QPHAs) to collaborate with their states in preparing an AFH. A QPHA is a PHA with fewer than 550 units of public housing and/or vouchers combined. QPHAs do not have to submit an AFH until they are required to submit a new 5-Year PHA Plan on or after January 1, 2019. A section of the state Assessment Tool is tailored for QPHAs collaborating with their states.

HUD will provide states with nationally uniform data that must be used in preparing an AFH. The AFFH rule also requires states to use local knowledge and information in addition to the HUD-provided data. This is important because nationally uniform data do not exist for all protected classes and because some states might have better and more up-to-date data concerning protected classes. Information obtained through the community participation process must also be considered.

HUD will post sample maps and tables intended to provide options for presenting relevant data by March 18.

Comments on the state Assessment Tool are due by May 10.

The March 11 *Federal Register* notice is at https://www.gpo.gov/fdsys/pkg/FR-2016-03-11/pdf/2016-05521.pdf

A double-spaced, large font version of the *Federal Register* notice is at http://bit.ly/226RQs7.

The state assessment tool is at http://bit.ly/1REArfH.

A version of the state assessment tool indicating how it differs from the local government assessment tool is at http://bit.ly/1RVsR2F.

The HUD Exchange AFFH webpage is at https://www.hudexchange.info/programs/affh

More information about affirmatively furthering fair housing is on NLIHC's AFFH webpage, http://nlihc.org/issues/affh

HUD Extends Comment Period Regarding Over-Income Public Housing Households

On March 10, HUD published a notice in the *Federal Register* extending the comment period regarding over-income residents in public housing (see *Memo*, 2/8). HUD is seeking input on whether public housing agencies should be required to terminate public housing assistance and evict families with incomes that "significantly" exceed income limits for a "sustained" period of time. Any changes would have to go through the formal rulemaking process. Comments are due April 11.

The *Federal Register* notice is at https://www.gpo.gov/fdsys/pkg/FR-2016-03-10/pdf/2016-05210.pdf

HUD Publishes Resources for LGBT Service Providers

HUD has published a variety of technical assistance resources on serving the LGBT people who are homeless for service providers on its LGBT Homelessness webpage. Materials include a guidebook regarding policies and procedures, a self-assessment tool, and staff training scenarios. The materials are intended to help providers comply with the Equal Access Rule (see *Memo*, 2/3/12) and implement best practices that are highlighted in Notice CPD-15-02 (see *Memo*, 3/2/15).

The webpage already contained resources for homeless LGBT people who are in crisis and guidance for reporting discrimination.

The HUD LGBT Homeless webpage is at: http://bit.ly/1nCA9xu.

Additional Dates Added for CHDO Staff Training

As previously announced (see *Memo*, 2/29 and 3/7), HUD will hold 11 two-day courses about the HOME Investment Partnerships (HOME) program's Community Housing Development Organization (CHDO) regulatory requirements. The courses are targeted to representatives of prospective CHDOs and new staff of existing CHDOs. Four additional dates have been announced: Albuquerque, NM, April 26-27; Salt Lake City, UT, April 26-27; Jackson, MS, May 3-4; and Seattle, WA, May 18-19.

Previously announced courses include: Richmond, VA, March 16-17; Buffalo, NY, March 29-30; Omaha, NE, April 5-6; Minneapolis, MN, April 12-13; and Phoenix, AZ, April 12-13.

The statute creating the HOME program sets aside 15% of a Participating Jurisdiction's (PJ's) HOME allocation exclusively for CHDOs. CHDOs are nonprofits that have boards of directors with significant low-income community resident representation to whom they are accountable.

Each course will cover:

- The relationship between CHDOs and PJs;
- The criteria an organization must meet to be designated a CHDO;
- Regulatory requirements regarding the development of rental and for-sale housing;
- The definition of a CHDO as a housing owner, sponsor, or developer; and
- The incentives a PJ may provide to a CHDO, such as operating assistance (up to 5% of a PJ's allocation), pre-development cost assistance, and use of CHDO proceeds.

Register for the courses at: http://bit.ly/1LFvbeU.

An additional course will be held in Newark, NJ at a date to be announced on the HUD Exchange Trainings and Events website: http://bit.ly/24sVEmf.

For more information contact Beth Lindow at blindow@tdainc.org.

Treasury

IRS Issues Regulations on Submetering of LIHTC Utility Allowance

On March 3, the Internal Revenue Service (IRS) published final and temporary regulations amending utility allowance rules in the Low Income Housing Tax Credit (LIHTC) program. The final regulations clarify the circumstances in which utility costs paid by a tenant based on actual consumption in a submetered rent-restricted unit are treated as paid by the tenant directly to the utility company and thus do not count towards the maximum rent an owner may charge. The temporary regulations extend the principles of the submetering rule to situations in which a building owner sells tenants energy produced from a renewable source not provided by a utility company. The text of the temporary regulations also serves as the text of proposed regulations.

HUD published proposed submetering rules on August 7, 2012. The 2016 final rule adopts the 2012 proposed rule with a few modifications. The proposed rule explained that a submetering system typically includes a master meter owned or controlled by a utility company, with overall utility consumption billed to a building owner. A building owner in turn uses residential unit-based meters to measure utility consumption and bill each unit based on actual consumption. Consequently, tenants are in effect paying for their actual utility consumption to the utility company.

If submetering is used with energy directly acquired from a renewable source without the intervention of a utility company, a building owner's energy charges to tenants must not exceed rates the utility company would charge tenants.

One of the changes in the final rule is the elimination of the proposed rule's provision requiring an owner to determine the actual monthly cost of any fee an owner charges a tenant for administering an actual-consumption submetering arrangement. If an owner charges such an administrative fee, the fee is not considered gross rent unless the aggregate amount of monthly fees for all of a unit's utilities under submetering exceeds the greater of $5 per month, an amount designated in an Internal Revenue Bulletin (IRB), or the lesser of either a dollar amount specifically prescribed under a state or local law or a maximum amount designated by an IRB publication.

In response to comments about the existing regulations, the final rule removes the provision requiring an energy consumption model to use a building's consumption data for a particular twelve-month period. Instead, the final rule requires consideration of available historic consumption data. Other factors to be considered include unit size, building orientation, design and materials, mechanical systems, appliances, and characteristics of a building's location. The final rule also specifically authorizes a housing finance agency to approve or disapprove use of an energy consumption model or to require information about the model before permitting its use.

The final and temporary rule is at: https://www.gpo.gov/fdsys/pkg/FR-2016-03-03/pdf/2016-04606.pdf

The proposed rule is at: https://www.gpo.gov/fdsys/pkg/FR-2016-03-03/pdf/2016-04618.pdf

Housing and the Elections

Voterization Webinar, April 18

The second webinar in NLIHC's 2016 Voterization series, "Educating Voters and Candidates on Housing Issues," will be held on Monday, April 18 at 2:00pm ET. The webinar will provide detailed information on creating voter guides, participating in candidate forums, and getting candidates to take positions on issues through candidate questionnaires. If you missed the first webinar in our series covering voter registration and voter suppression, you can find a recording of the presentation and a copy of the slides at http://nlihc.org/library/voterization.

Throughout 2016 election season, NLIHC will offer webinars and resources to train advocates and service providers on how to carry out non-partisan voter engagement efforts with low income residents and their allies.

Strong low income resident participation in the 2016 elections is essential to get candidates to address the issue of affordable rental housing in their campaigns. Learn how to make that happen. RSVP at: https://attendee.gotowebinar.com/register/1720412813737134082

For questions, contact the field team at outreach@nlihc.org.

Research

Report Refutes Claims that Safety Net Programs Disincentivize Work

A brief by the Center on Budget and Policy Priorities (CBPP) titled *It Pays to Work: Work Incentives and the Safety Net* refutes critics' claims that safety net programs discourage work. The majority of adults in poverty have greater economic incentives to become employed, work more hours, or accept pay increases.

Critics contend that safety net programs, such as the Supplemental Nutrition Assistance Program (SNAP) (formerly called food stamps), discourage work because reductions in benefits and increases in taxes for every dollar earned create a higher marginal tax rate. The CBPP report, however, demonstrates that a single mother of two children receiving SNAP more than doubles her net income by taking a half-time job at the federal minimum wage. The benefit of working is even greater when taking into account the Earned Income Tax Credit (EITC) and Child Tax Credit, which are available only to workers (see "Fact of the Week" below). If that same mother works full time at the minimum wage, she can increase her family's net income by over $20,000.

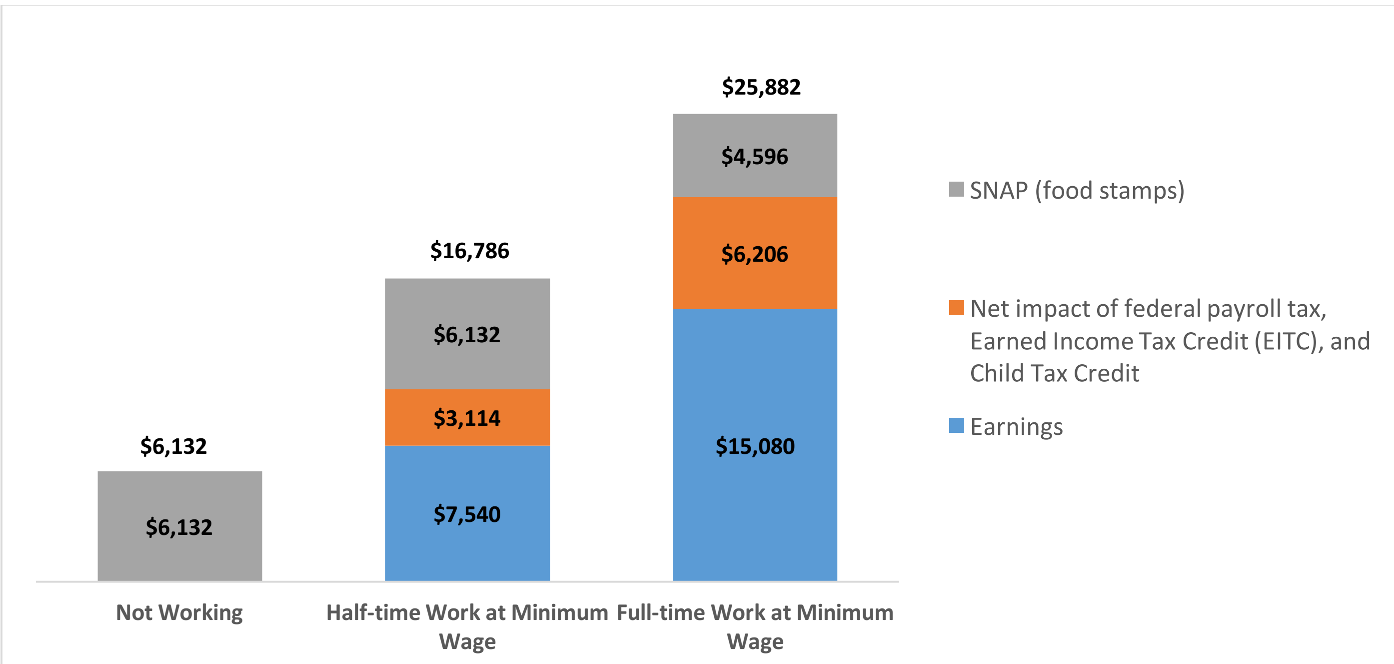
Safety net critics contend that marginal tax rates can be as high as 80%, meaning an assisted worker could lose 80 cents in higher taxes and reduced benefits for every additional dollar earned. These cases, however, are rare, especially for a single mother with two children. Marginal tax rate disincentives are limited to cases where a mother's income is between 100% and 150% of poverty, and she receives EITC, SNAP, and housing assistance or Temporary Assistance to Needy Families (TANF). All three benefits would phase out simultaneously. It is unlikely that mothers in this income group would be TANF recipients, as these benefits typically phase out before a household reaches the poverty line. And housing assistance is received by only one in four eligible families.

The report contends that lack of access to quality, affordable childcare is a more significant obstacle to workforce participation for families in poverty than the loss of safety net benefits. Just one in six families that qualify for childcare assistance receives it. Another potential disincentive to work is the lack of an entitlement to housing assistance. A family receiving housing assistance may be hesitant to give it up because they likely would not get it back if their income declined in the future.

It Pays to Work: Work Incentives and the Safety Net is available at http://bit.ly/1P4ymHS.

Fact of the Week

Impact of Work on Income for Single Mother of Two



Source: Shapiro, I., Greenstein, R., Trisi, D., and DaSilva, B. (2016). *It Pays to Work: Work Incentives and the Safety Net*. Washington, D.C.: Center on Budget and Policy Priorities. Retrieved from http://bit.ly/1RZEiXl.

From the Field

Alabama Advocates Lobby for the Housing Trust Fund

Alabama housing advocates from around state joined the Low Income Housing Coalition of Alabama (LIHCA), a NLIHC state partner, on Wednesday, March 9th at the State House in Montgomery for an advocacy day in support of H.B. 341, the bill to fund the Alabama Housing Trust Fund (AHTF). The AHTF is needed to address the shortage of more 95,000 homes for individuals in Alabama making the minimum wage or less. The advocacy day included a press conference, legislator visits, and a demonstration with tents highlighting the plight of many Alabamians experiencing homelessness.

Established in 2012 without a defined revenue source, the AHTF was designed to create and rehabilitate homes for households living at or below 60% of the area median income, with a majority of its eventual resources for housing to serve individuals making minimum wage or less. LIHCA and the AHFT's legislative champion, Representative Patricia Todd (D), fought to secure revenue for the AHTF in the 2015 legislative session but were unsuccessful.

H.B. 341 would fund the AHTF through adjustments to the mortgage record tax. Enacted in 1935 and never increased, the mortgage record tax is a fee that individuals pay when they purchase or refinance a mortgage. H.B. 341 would increase the current fee by $0.15 per $100 of indebtedness, a modest adjustment that could bring in approximately $17 million per year for the AHTF. Given that Alabama currently relies solely on the federal government for affordable housing dollars, the $17 million per year would be a significant additional investment to address the affordable housing shortage in Alabama.

Economists say that funding the AHTF at this level would result in $1.1 billion of economic impact over 10 years in Alabama and would generate 6,500 new full-time jobs. LIHCA's Community Initiatives Manager Ashley Kerr stated: "Funding the Alabama Housing Trust Fund is fiscally responsible and morally right. And perhaps most important, Alabama needs to ensure that every child has a safe place to call home."

You can follow H.B. 341's progress at www.alabamahousingtrustfund.org, LIHCA's Twitter feed (@LIHCAlabama), or its Facebook page, www.facebook.com/LIHCAlabama. You can also contact Ashley Kerr at ashley@collaborative-solutions.net.

Events

Webinar on Voucher Use and Funding

The Center on Budget and Policy Priorities will host webinar on April 6 on Housing Choice Voucher utilization and funding. This webinar will provide an update on the status of voucher utilization and funding, discuss steps that housing agencies can take to improve utilization, and assess the funding outlook for 2017. The webinar will be held at 2:30 PM ET.

Register for the webinar at http://bit.ly/1Ld3p9O.

NLIHC News

NLIHC Accepting Applications for Summer Internships

NLIHC is accepting resumes for summer 2016 internship positions. Interns are highly valued and fully integrated into our staff work. We seek students passionate about social justice issues, with excellent writing and interpersonal skills.

The available positions are:

Policy Intern. Tracks new legislation, attends and summarizes Congressional hearings for the *Memo to Members* newsletter, participates in visits to Congressional offices, develops materials for use in lobbying the House and Senate to achieve NLIHC's policy agenda, and updates the NLIHC Congressional database.

Organizing Intern. Assists with grassroots organizing efforts for the United for Homes campaign and other legislative efforts. Assists with membership recruitment/retention efforts and internal database upkeep.

Research Intern. Assists in ongoing quantitative and qualitative research projects, writes weekly articles on current research for *Memo to Members*, attends briefings, and responds to research inquiries.

Graphic Design Intern. Assists with sending out e-communications using MailChimp; revising collateral print material such as brochures, flyers, factsheets; updating content on the NLIHC website; and posting information on the Coalition's social media sites and blog. *Please provide 3-5 design samples and/or link to online portfolio for consideration*.

These positions begin in June and run until August and are at least 20-30 hours a week. Two semester placements are possible. NLIHC provides modest stipends.

A cover letter, resume, and writing sample are required for consideration. In your cover letter, please specify the position(s) for which you applying and that you are interested in a summer 2016 internship.

Interested students should send their materials to: Paul Kealey, Chief Operating Officer, National Low Income Housing Coalition, 1000 Vermont Avenue, NW, Washington, DC 20005 via email to pkealey@nlihc.org.

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