Memo To Members & Partners
A weekly newsletter from the National Low Income Housing Coalition

Volume 22, Issue 28
July 24, 2017

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NLIHC in the News

Our Homes, Our Voices Week of Action

Over 50 #OurHomesOurVoices Local Events Planned

More than 50 local events and activities will take place across the country this week during the *Our Homes, Our Voices* National Housing Week of Action.

Our momentum is growing and the clear message we send to elected officials on Capitol Hill this week will be heard: we must invest in affordable homes and strong communities, and we will not accept cuts to funding for critical federal housing programs. Not when only one in four eligible households receives federal housing assistance. Not when there is a nationwide shortage of 7.4 million rental homes affordable and available for the lowest income households. Not when 8.1 million extremely low incomes households spend more than 50% of their incomes on housing costs.

Join us and make your voice heard! Partner organizations are leading events this week in Arizona, California, Colorado, Connecticut, DC, Florida, Illinois, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Jersey, New Mexico, New York, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, Washington, and Wisconsin.

Are you planning an event that we don't have listed? Email us and tell us about it so we can lift up your work and help you spread the word!

If there is not an event taking place in your community, check out our list of national events for more ways to get involved. And stay tuned for more updates as the week unfolds – #OurHomesOurVoices has only just begun!

Take Action

Join Campaign to Tell Congress to Fully Fund Rural Housing Investments

A campaign is underway to contact members of Congress and tell them to fully funding rural housing programs and to protect them from the cuts being proposed by the Trump administration and Congress. Join the campaign today!

President Donald Trump's proposed FY18 budget would require significant reductions to the U.S. Department of Agriculture (USDA) rural housing appropriations, including a $60 million cut to Section 521 Rural Rental Assistance, the elimination of the Multifamily Preservation and Revitalization program, and the elimination of key homeownership programs, including Section 502 Direct Homeownership Loans and Section 523 Mutual Self-Help Housing.

The full House Appropriations Committee voted to advance its draft FY18 USDA spending bill on July 12. While the bill rejects Mr. Trump's more drastic cuts and program eliminations, it would still significantly reduce funding for rural housing programs from FY17 spending levels.

The full Senate Appropriations Committee voted to approve its draft FY18 USDA spending bill, including funding for Rural Housing programs, on July 20. While the text of the bill is not yet available, the Committee states on its website that the bill provides flat funding for rural development programs at FY17 levels.

NLIHC and nearly 600 organizations from across the country signed onto a letter circulated by the National Rural Housing Coalition (NRHC) opposing Mr. Trump's proposed cuts and supporting federal rural housing investments.

NLIHC encourages advocates to call their members of Congress to urge them to fully fund rural housing programs.

- Contact your Congressional delegation directly at: http://bit.ly/2rr1AkV
- Read NRHC's press release about rural advocates' letter to Congress at: http://prn.to/2tmTGWB
- Read the House draft FY18 USDA spending bill at: http://bit.ly/2uSk2B2
- Read about the Senate draft FY18 USDA spending bill at: http://bit.ly/2vFQMxl
- Review NLIHC's analysis of the Trump administration's proposed budget, including funding for USDA Rural Housing programs, at: http://nlihc.org/sites/default/files/Trump-Budget.pdf
- Review NLIHC's budget chart at: http://bit.ly/1SowzjU

Help Protect and Expand Funding to the National Housing Trust Fund

The HTF is the first new housing resource in a generation exclusively targeted to help build and preserve housing affordable to people with the lowest incomes, including those who are homeless. Join the more than 1,000 national, state, and local organizations that have signed onto NLIHC's letter urging Congress to protect and expand the national Housing Trust Fund (HTF), which President Trump proposed to eliminate in his FY18 budget.

While a copy of the letter has been delivered to all members of Congress, there is still time for organizations concerned about homelessness and the lack of affordable homes to sign onto the national HTF letter before an updated version is sent to Capitol Hill later in the budget process.

Thanks to your advocacy and our champions in Congress, the draft spending bill in the House rejected the president's proposed elimination of the HTF and did not include any funding cuts to this important program. We will continue to track the bill's progress to ensure that no harmful amendments are offered. The Senate is expected to draft its spending bill this week.

Congress must protect the HTF from the administration's attack and instead significantly increase its funding to address the critical affordable housing needs of the lowest income renters in every community in the U.S.

- Sign the letter urging Congress to protect and expand the HTF and share it with your networks.
- The letter with the current list of signatories is at: http://bit.ly/2rSLcWF
- Contact your Congressional delegation directly at: http://bit.ly/2lBR7eM

United for Homes

Congressman Ellison and Author Matthew Desmond Discuss Mortgage Interest Deduction Reform

Representative Keith Ellison (D-MN) and First Focus Campaign for Children hosted a briefing on July 19, where Matthew Desmond, Pulitzer Prize-winning author of *Evicted*, and other experts discussed policy recommendations to support housing stability among children and families facing eviction. Panelists offered a broad range of solutions. Dr. Desmond and Mr. Ellison both pointed to mortgage interest deduction (MID) reform to redirect federal housing dollars from the highest earning households to families most in need of housing assistance.

Millions of families cannot afford a decent place to call home. Dr. Desmond pointed out that only one in four families who needs housing assistance actually gets it and focused on those who do not receive assistance—and who are more likely to experience eviction as a consequence. Dr. Desmond emphasized that evictions are both a condition and a cause of poverty: evictions push families already experiencing poverty and housing cost burdens deeper into poverty. He called for providing housing vouchers to all families living below the poverty line.

Dr. Desmond and Mr. Ellison noted that the majority of federal housing dollars go to subsidize housing for the wealthiest households through homeowner tax benefits. In February, Mr. Ellison introduced the "Common Sense Housing Investment Act of 2017" (H.R. 948) to address this imbalance in federal housing policy. The legislation would reform the MID - reducing the portion of a mortgage eligible for a tax break and converting the MID to a tax credit - and reinvest the savings into affordable rental housing solutions. Mr. Ellison's bill mirrors the NLIHC-led United for Homes campaign.

- Read more about NLIHC's United for Homes Campaign at: www.unitedforhomes.org
- Read Dr. Desmond's *New York Times Magazine* article on MID reform at: http://nyti.ms/2pZEeBj
- The "Common Sense Housing Investment Act" is at: http://bit.ly/2vFymg1
- Learn more about the United for Homes campaign: www.unitedforhomes.org

Terwilliger Foundation Calls for Reprioritizing Federal Housing Dollars

The J. Ronald Terwilliger Foundation for Housing America's Families has published a report, "How Federal Dollars are Spent: The Case for New Priorities," calling for reforms to the mortgage interest deduction (MID) and investing in housing assistance for lower income renter households.

The report highlights:

- Together, the three largest federal housing subsidies — the mortgage interest deduction, the deduction for local property taxes, and the exclusion of capital gains on sales of principal residences — have an estimated annual cost of $129 billion.
- Federal rental assistance programs help meet the housing needs of the lowest income Americans, many of whom live below the federal poverty line. However, fewer than one in four households eligible for federal rental assistance actually receives this support.
- With rental demand exploding, housing-cost burdens reaching unacceptable levels, and many lower and middle income Americans unable to access the homeownership market, it is time to recalibrate federal policy to respond to these new realities.

The report reveals the striking imbalance of current federal housing assistance, where most of the benefits accrue to higher income households. It notes that the median income of homeowner households ($68,797) is more than double the median income of renter households ($33,784), but renters receive none of benefits of mortgage-related tax expenditures and most of these expenditures go to higher income homeowners.

The NLIHC-led United for Homes campaign proposes reforms to the MID consistent with the Terwilliger Foundation's call for a recalibration of federal housing policy. The United for Homes campaign would reduce the amount of a mortgage eligible for a tax break from $1 million to $500,000 and convert the deduction into to a 15% non-refundable tax credit. These changes would provide 25 million homeowners a greater tax break and would generate $241 billion in savings over 10 years to be reinvested into affordable rental solutions for people with the greatest needs.

The Terwilliger Foundation report notes that there is bipartisan support for ensuring that federal housing resources are spent more effectively and for those with the greatest need.

- Read the "How Federal Dollars are Spent: The Case for New Priorities" here.
- Learn about the United for Homes Campaign here.

Congress

Senate GOP Continues to Push Healthcare Repeal Legislation

Legislation to repeal and replace the Affordable Care Act took twists and turns over the last week and its future remains uncertain. Senate Republican leaders and the White House are continuing to try to secure enough support to enact their legislation, which is expected to receive a vote as early as this week. Under procedural rules, Republicans need only 50 votes to approve their healthcare repeal legislation. With just 52 Republican senators, however, Majority Leader Mitch McConnell (R-KY) faces a slim margin of error.

According to the Congressional Budget Office, the Senate bill would cause 22 million people to lose health insurance and would slash Medicaid funding for supportive housing services that benefit people experiencing homelessness. The Senate bill, like the version passed by the House, would roll back Medicaid expansion, change the structure of the program, converting it into a block grant, and dramatically cut its funding. The bill also allows states to impose work requirements, higher premiums, and emergency room co-payments within Medicaid. These changes would be devastating for low income households, especially homeless individuals receiving supportive services through Medicaid.

NLIHC encourages all housing advocates to continue to call their Senators and urge them to oppose any healthcare bill that cuts, caps, or phases out Medicaid for millions of the lowest income people. This bill will be defeated if just three Republican Senators reject these cuts. Your calls can make the difference.

Democratic Senators Challenge HUD Nominees During Hearing

At the Senate Banking Committee's hearing on the nominations of Paul Compton to be HUD general counsel, Anna Maria Farias to be HUD assistant secretary for Fair Housing and Equal Opportunity, and Neal Rackleff to be HUD assistant secretary for Community Planning and Development, Senators Elizabeth Warren (D-MA), Sherrod Brown (D-OH), Bob Menendez (D-NJ), Jon Tester (D-MT), Brian Schatz (D-HI), and Catherine Cortez Masto (D-NV) expressed concerns that the nominees would not fully advocate within the Trump administration for the affordable housing programs they would oversee.

After Mr. Rackleff defended President Trump's proposed FY18 HUD budget, which would cut funding by $7.5 billion compared to FY17, Ms. Warren expressed deep concerns about Mr. Rackleff's willingness to advocate for HUD programs. Under the president's budget, more than 250,000 families would lose their housing assistance, putting them at immediate risk of eviction and, in worst cases, homelessness. The president's budget would also starve communities of the resources they need to address their most pressing housing and community development needs.

Mr. Menendez also expressed frustration, accusing the nominees of dodging the senators' questions about whether they would advocate for HUD programs. He warned that their failure to directly respond to the senators' questions would prevent him and other senators from voting to approve of their nominations.

This was the first nomination hearing for these nominees. If the committee votes in their favor, their confirmations will be moved to the Senate floor.

Representative Ellison and Senator Shaheen Introduce Bill to Stabilize Manufactured Homes

Representative Keith Ellison (D-MN) introduced a bill on July 19 that would allow residents living in manufactured home communities to enjoy more stability without the threat of eviction. The Senate companion bill was introduced by Senator Jeanne Shaheen (D-NH).

Residents of manufactured homes frequently own their homes, but few own the land under the homes. If the owner of that land chooses to sell it, residents are forced into a very expensive and challenging task of relocating their homes.

The Ellison and Shaheen bill encourages owners of manufactured home communities to sell the land to residents or a nonprofit organization by creating a 75% tax credit on the sale of the property. The tax credit requires that the land be used as a manufactured home community for 50 years or longer following the sale. By incentivizing the sale of land to a stabilizing nonprofit organization or to the residents themselves, the legislation helps to preserve a vital form of affordable housing, especially in rural communities.

The bill builds on the success of other ownership cooperative models that have been used in more than 1,000 communities across the nation.

- Read more about the bill here.
- Read more about the affordable housing shortage here.
- Read more about manufactured housing in the 2017 NLIHC *Advocates' Guide* here.

Budget and Appropriations

Senate to Take Up FY18 THUD Spending Bill

The Senate will begin its work on its Transportation-HUD (THUD) spending bill this week. The Senate THUD Appropriations Subcommittee is scheduled to debate its FY18 spending bill on Tuesday, July 25 at 10:30 am ET. Consideration of the THUD bill by the full Appropriations Committee is scheduled for July 27 at 11:00 am ET.

The Senate Appropriations Committee approved temporary allocations for spending bills on July 20, keeping overall discretionary spending flat at the FY17 level of $1.07 trillion but breaking the spending limits put in place by the Budget Control Act of 2011 (BCA). The Committee set a $518.5 billion limit on nondefense spending, about $3 billion more than the FY18 BCA spending cap allows.

The THUD bill received an allocation of $60.05 billion, a $2.4 billion increase from FY17 enacted levels. The spending levels are tentative until Congress reaches a bipartisan deal to lift the BCA spending caps lawmakers have called "unworkable."

Democrats on the Committee voted against the allocations, saying that the spending levels for nondefense spending were still too low. Ranking Member Patrick Leahy (D-VT) offered an alternative that would have increased both defense and nondefense spending limits by $54 billion above the FY18 spending caps. That proposal was voted down by a party-line vote.

NLIHC will continue to advocate for the highest possible spending levels in the THUD bill and will keep advocates updated as the bill moves forward. See NLIHC's overview of the House FY18 THUD bill here:

See NLIHC's updated budget chart here:

House Appropriations Committee Approves FY18 THUD Spending Bill

The House Appropriations Committee moved forward with its FY18 spending bill for affordable housing and community development programs on July 17. NLIHC and others estimate the bill would result in the loss of more than 140,000 housing vouchers. Without this assistance, families face immediate risk of eviction and, in worst cases, homelessness. The bill also continues to cut funding for programs that provide states and communities flexible resources to address their pressing housing and community development challenges.

The bill was approved largely along party lines, and it now heads to the House floor where it is expected to be combined into a larger spending package.

House Democrats offered several amendments to address the funding shortfalls in the spending bill, but each amendment was defeated by a strict party-line vote:

- Representative Barbara Lee (D-CA) introduced an amendment to extend the U.S. Interagency Council on Homelessness, which is proposed for elimination in the House bill. She also offered amendments to increase resources for the HOME Investment Partnerships (HOME) program and for public housing administrative fees. After her amendments were voted down, Ms. Lee warned that the Committee "had turned its back" on the most vulnerable people in our communities.

- Ranking Member David Price (D-NC) offered a $200 billion amendment to invest in our nation's infrastructure, including resources for public housing, Community Development Block Grants (CDBG), Choice Neighborhood grants, HOME, and housing for the elderly and people with disabilities.

- Other amendments would have increased funding for Housing Choice Vouchers (Ms. Pingree, D-ME), public housing repairs (Mr. Serrano, D-NY), lead-based hazards (Ms. Lowey, D-NY), CDBG (Mr. Cartwright, D-PA), and housing vouchers for survivors of domestic violence (Ms. Clark, MA) and homeless veterans (Ms. Kaptur, D-OH).

The committee approved a manager's amendment offered by THUD Subcommittee Chair Mario Diaz-Balart (R-FL) that included Representative Mike Quigley's (D-IL) amendment to expand HUD's Rental Assistance Demonstration (RAD) to include Section 202 Project Rental Assistance Contracts (PRACs).

- Read the text of the House bill at: http://bit.ly/2tfaCO9
- Watch the archived webcast of the House Appropriations Committee vote at: http://bit.ly/2uwDeGU
- Read the NLIHC's analysis of the House bill at: http://bit.ly/2sLyR7j
- Review NLIHC's budget chart at: http://bit.ly/1SowzjU

Senate Advances Rural Housing Appropriations Bill

The full Senate Appropriations Committee voted to approve its draft FY18 U.S. Department of Agriculture (USDA) spending bill, including funding for Rural Housing programs, on July 20. While the text of the bill is not yet available, the Committee states on its website that the bill provides flat funding for rural development programs at the FY17 levels. This includes $1 billion for the Section 502 direct homeownership loan program, which provides low-income rural families with home loan assistance, and $1.345 billion for rental assistance.

The bill is expected to contain several policy riders, including language to reverse a decision by USDA Secretary Sonny Perdue and the Trump administration to eliminate the rural development undersecretary position, a move criticized by the National Rural Housing Coalition, NLIHC, and many others.

NLIHC will continue to monitor the spending bill as it heads to the Senate floor in the coming weeks. Stay tuned for more details.

Read about the draft Senate FY18 USDA spending bill at: http://bit.ly/2vFQMxl

House Committee Approves Budget Resolution That Proposes Massive Cuts to Domestic Programs

The House Budget Committee approved its FY18 budget and tax reform blueprint on July 19 along a party-line vote. If approved by Congress, the plan would dramatically re-write federal priorities over the next 10 years. The blueprint increases defense spending by nearly $1 trillion, reduces investments in domestic discretionary programs by $1.3 trillion – to its lowest level since before the Great Depression - and calls for more than $4.4 trillion in cuts to mandatory programs like Medicaid and food stamps that ensure basic living standards for low income families. The blueprint fast-tracks the first $200 billion in cuts to help pay for tax cuts that will largely benefit wealthy Americans.

The blueprint directs the House Financial Services Committee, which oversees affordable housing and community development programs, to find at least $14 billion in savings. It offers states the ability to take block grants for Medicaid and to add strict work requirements on Medicaid and food stamp recipients.

During the Committee's debate of the resolution, Democrats offered several amendments aimed at maintaining or increasing funding for domestic programs. Nearly all of the amendments were rejected along a party-line vote. Ranking Member John Yarmuth (D-KY) introduced an amendment to raise the spending caps required by the Budget Control Act equally for defense and non-defense programs. Representative Barbara Lee (D-CA) offered an amendment to protect funding for anti-poverty programs.

While the Committee approved the blueprint, it is unclear whether it has enough support to pass on the House floor, let alone in the Senate, where moderate Republicans would likely be reluctant to approve such deep cuts.

The conservative House Republican Study Committee (RSC) released its own FY18 budget proposal, which includes many of the deep cuts to housing programs proposed by President Donald Trump. Like the Trump budget request, the RSC budget proposal would eliminate the HOME Investment Partnerships program, Community Development Block Grants, the Choice Neighborhoods Initiative, the Self-Help Homeownership Opportunity Program (SHOP), and the Section 4 Capacity Building program. It would also reduce funding for public housing, asserting that funding the program is "a task that is better left to state and local governments."

The RSC proposal also suggests linking housing assistance to Temporary Assistance to Needy Families benefits and other welfare assistance programs and imposing work requirements for public housing residents. The RSC claims that the programs as currently structured "encourage broken homes, broken communities, and low self-worth among recipients."

- Learn more about the House budget resolution at: http://bit.ly/2u8dmPg
- Read the Republican Study Committee budget proposal at: http://bit.ly/2vFQLth

HUD

HUD Posts Guidebook on Implementing Smoke-Free Policies in Public Housing

HUD's Office of Public and Indian Housing (PIH) posted a guidebook titled *Implementing HUD's Smoke-Free Policy in Public Housing*. The purpose of the guidebook is to help public housing agencies (PHAs) adopt a smoke-free policy. On December 5, 2016, HUD finalized a rule requiring all PHAs to implement a smoke-free policy for public housing by July 30, 2018 (see *Memo*, 12/5/16).

PHAs must design and implement a policy prohibiting the use of tobacco products in all public housing living units and interior areas (including but not limited to hallways, rental and administrative offices, community centers, daycare centers, laundry centers, and similar structures), as well as at outdoor areas within 25 feet of public housing and administrative office buildings.

The guidebook presents an 18-month timeline for implementation with separate chapters containing suggestions in three-month intervals over the 18 months. The timeline began in February 2017, talking about "laying the groundwork." The next stage of the timeline began in May 2017, emphasizing preparing PHA staff and residents. August 2017 will be the start of the third three-month interval, for which the guidebook discusses formalizing the smoke-free policy and includes elements typically found in the smoke-free policies voluntarily adopted by some PHAs before the new rule was drafted. The guidebook for this stage elaborates on formally notifying residents and lists topics to consider when holding meetings with residents to shape the policy.

An important topic in a smoke-free policy concerns enforcement. The guidebook cautions that "strict enforcement structures may not provide room for flexibility or behavior change by the tenant." HUD recommends a clear and graduated enforcement approach that includes escalating warnings to a resident with documentation to the resident's file. For instance, HUD suggests an enforcement plan have at least three steps, and notes that a single incident of smoking is not grounds for termination of assistance and eviction. In addition, requiring attendance at smoking cessation classes should not be a remedy for infractions or a punishment for lease violations.

In the three-month period starting in November 2017, the guidebook reminds readers that prior to officially implementing a smoke-free policy, each tenant must sign a lease that has the smoke-free policy included as a lease addendum. Lease amendments must be provided to existing residents at their annual recertification or at the resident's first recertification after HUD approves a PHA's smoke-free policy. The guidebook notes that the National Housing Law Project (NHLP) recommends tenants be informed of the smoke-free policy and sign a new lease as far in advance of its implementation as possible (up to 1 year), allowing ample time for residents to take advantage of available cessation services, request a reasonable accommodation, and/or prepare for any changes to daily routines the ban will require. PHAs may have to include lease addenda on a rolling basis as residents hit their annual recertification dates.

In a section regarding vulnerable residents, the guidebook stresses that the needs of residents who smoke and have fragile physical and mental health merit thoughtful attention in smoke-free policies. People who smoke who are mentally ill, elderly, disabled, have addictions, or were homeless will require extra attention. These residents will probably need time and a supportive approach. Again, the guidebook notes that NHLP recommends property managers be aware that written notification and tenant meetings are not sufficient for communicating the policy to all tenants. Some residents with mental disabilities may not understand the written notices; others may not read them or participate in meetings. It may be necessary for PHA staff to discuss the new policy directly with individuals with mental disabilities and to share written information about the policy with visiting family or social service staff. According to NHLP, PHA staff must know that it is their obligation to help all tenants become informed about the new policy.

The guidebook and other smoke-free information is at: http://bit.ly/2pLLj5K

HUD Publishes Technical Corrections to HOTMA Implementation Notice

HUD's Office of Public and Indian Housing (PIH) published a notice in the *Federal Register* on July 14 making technical corrections to a notice published on January 18 (see *Memo*, 1/23) that implemented some Housing Choice Voucher provisions of the Housing Opportunity Through Modernization Act of 2016 (HOTMA). Of the nine corrections, two are substantial; both pertain to exceptions to the cap on the number of units in a project that could be assisted with project-based vouchers (PBVs).

Prior to HOTMA, under the so-called "income mixing" cap, no more than 25% of the units in a project could be assisted with PBVs. Exceptions to this cap prior to HOTMA included units occupied by someone who was elderly, disabled, or receiving a qualifying supportive service. HOTMA amended the exception criteria by eliminating the separate provision for people with disabilities and modifying the supportive services provision by eliminating the requirement that someone in the household actually receive supportive services. Instead, HOTMA merely requires that the unit be exclusively available to households eligible for supportive services that are made available to assisted residents at the project. HOTMA also created a new exception to the cap for projects in a census tract with a poverty rate of 20% or less.

Regarding the "income mixing" cap on the number of PBVs in a project, the January 18 notice stated "a PHA [public housing agency] may not require participation in the supportive services as a condition of living in an accepted unit, although such services may be offered." The notice continues with a description of a unit excepted from the PBV income-mixing cap because a household participated in HUD's Family Self-Sufficiency (FSS) program and received associated supportive services.

The July 14 notice clarifies that "HOTMA merely requires households to be eligible for the supportive services, rather than be receiving the supportive services." The new notice also makes clear: "Therefore, a PHA may not rely solely on a supportive services program that would require a family to engage in supportive services once the family enrolls in the program, such as Family Self-Sufficiency (FSS), for the unit to meet the supportive services exception." The former FSS description is replaced by general text about a family that chooses to participate in available supportive services.

The January 18 notice also states that "if a the FSS family fails to successfully complete the FSS contract of participation or supportive services objective and consequently is no longer eligible for the supportive services, the family must vacate the unit…and the PHA shall cease paying housing assistance payments on behalf of the ineligible family." In formal comments to HUD, NLIHC urged HUD to withdraw this text because FSS is a voluntary program; therefore, a family should not be required to move out of their home if they do not succeed in completing their FSS contract, and the unit should remain exempt from the project PBV cap.

July 14 notice removed the text regarding failure to complete an FSS contract, stating HUD was concerned that the text could be misinterpreted to imply that a PHA could establish a supportive services exception based exclusively on required (instead of voluntary) participation in FSS. In addition, HUD determined that this provision could be misinterpreted in a way that conflicts with current FSS requirements, which do not allow termination for failure to complete the FSS contract.

While the July 14 notice removes the FSS text, it still requires removing a unit from the exception category if a family becomes ineligible for supportive services (for reasons other than successfully completing the supportive services objective). If a PHA does not want to reduce the number of excepted units, new notice provides that a PHA could temporarily remove the unit from the PBV housing assistance payment contract and provide the family with a tenant-based voucher or substitute the excepted unit for a non-excepted unit, if possible.

Regarding the new HOTMA provision excepting the number of PBVs in a project located in a census tract with a poverty rate of 20% or less, the January 18 notice implied that there was no limit to the number of PBVs that could be in such a project. The July 14 notice clarifies that HOTMA sets the cap at 40% of the units.

The *Federal Register* notice is at: http://bit.ly/2uxhlb0

HUD Reschedules VAWA Training Webcasts

HUD's Office of Multifamily Housing Programs is offering two training webcasts about Notice H 2017-05, guidance it recently issued regarding the final rule implementing the Violence Against Women Reauthorization Act of 2013, VAWA 2013, (see *Memo*, 7/10). Although the guidance and webcasts are oriented to owners and management agents of HUD-assisted multifamily housing, advocates will also benefit from familiarity with the guidance.

The first webcast will take place on July 26, at 2:30 pm ET, and is focused on owners and management agents. The second webcast is scheduled for August 1, at 1:30 pm ET, and is focused on performance-based contract administrators.

Access to the trainings is through the HUD online portal. No registration is necessary to participate. Viewers will have the opportunity to email questions during each live broadcast.

- The July 26 webcast will review and explain VAWA requirements for owners and management agents of HUD-assisted multifamily housing. Topics will include: applicability, protections and eligibility, notification, documentation, lease bifurcation, Emergency Transfer Plan, actual and imminent threat, and HUD enforcement.

- The August 1 broadcast will focus on HUD and contract administrators' monitoring and enforcement of VAWA requirements. Topics will include: notification and distribution of required documents, proper documentation and record-keeping of VAWA requests and their outcomes, maintenance of confidentiality, contents and execution of a property's Emergency Transfer Plan, and documentation of admission or transfer preferences given to victims of domestic violence, dating violence, sexual assault, or stalking.

National Housing Trust Fund

Senate Banking Committee Holds Second Hearing on Housing Finance Reform

The Senate Committee on Banking, Housing, and Urban Affairs held a hearing on July 20 to discuss housing finance reform and maintaining market access for small lenders. This is the Committee's second hearing on housing finance reform in less than a month, suggesting that the issue is building momentum in the 115th Congress. During the hearing, Committee members and the witness panel focused on how best to preserve and enhance the role that small lenders play in providing access to capital in rural and underserved markets.

Citing data from NLIHC report, *The Gap: A Shortage of Affordable Homes*, Senator Catherine Cortez Masto (D-NV) highlighted the importance of expanding affordable rental opportunities in the context of reform. "In my state of Nevada, there are only 15 affordable and available units for every 100 extremely low income renters," she said. Ms. Masto emphasized the need to increase funding to the national Housing Trust Fund (HTF) in a housing finance reform package. Recent housing finance reform proposals, like the 2014 Johnson-Crapo legislative proposal, would have increased resources for affordable housing by providing more funding for the HTF, the Capital Magnet Fund, and a new Market Access Fund.

- Learn more about the future of housing finance at: http://bit.ly/2syHxjr

- Learn more about the national Housing Trust Fund at: http://nlihc.org/issues/nhtf

- Join over 1,000 advocates in signing a letter urging Congress to protect and expand the HTF at: http://bit.ly/2qk6xGS

- Watch a recording of the hearing at: http://bit.ly/2tRaOox

Affirmatively Furthering Fair Housing

House GOP Members Call for HUD to Rescind AFFH Rule, Secretary Carson Says HUD will "Reinterpret" the Rule

HUD's Affirmatively Furthering Fair Housing (AFFH) rule is facing renewed threats from conservative members of Congress and the prospect of being weakened by HUD Secretary Dr. Ben Carson.

A group of Senate Republicans led by Senator Mike Lee (R-UT) sent a letter on July 14 to Secretary Carson asking him to rescind the AFFH rule in its entirety. The letter claims that the rule would "extend the reach of the federal government beyond its authority and could take away state and local governments' ability to make local zoning decisions."

In fact, the AFFH rule provides local jurisdictions guidance on how to comply with a long-standing statutory requirement of the 1968 Fair Housing Act. The Fair Housing Act directs jurisdictions and public housing agencies receiving federal funds for housing and urban development to "affirmatively further fair housing" by taking active steps to overcome historic patterns of segregation and to promote fair housing choice. Under AFFH, HUD provides jurisdictions with data and a tool for assessing ways in which minorities and other protected groups might be excluded from opportunities, and requires localities to develop plans certifying they are addressing those disparities. The rule does not give HUD the authority to "make local zoning decisions."

Several days after receiving the letter, Dr. Carson stated that HUD will move to "reinterpret" the AFFH rule. Dr. Carson has previously called the rule a doomed-to-fail attempt to "legislate racial equality." He has since indicated that he will not reverse the rule, citing a 2015 Supreme Court ruling that upholds the disparate impact standard for housing policy. "I probably am not going to mess with something the Supreme Court has weighed in on," Dr. Carson said. "In terms of interpreting what it means — that's where the concentration is going to be." Dr. Carson has not yet described what a "reinterpretation" might look like.

- Learn more about AFFH at: http://nlihc.org/issues/affh
- Read the full text of the letter at: http://bit.ly/2uePviV
- Read the Washington Examiner story on Secretary Carson's plans to "reinterpret" the rule at: http://washex.am/2ud8tVo

Research

Trump's Tax Plan Gives Greatest Benefit to Top Earners

A report by the Tax Policy Center (TPC) estimates that President Donald Trump's tax proposals would decrease federal tax revenue by $3.5 trillion over the first decade after implementation and by another $5.7 trillion in the second decade. The highest-earning 1% of taxpayers would see their after-tax incomes increase by 11.5%, while the middle 20% would see an increase by 1.3%, and the lowest-earning 20% would see an increase of 0.3%.

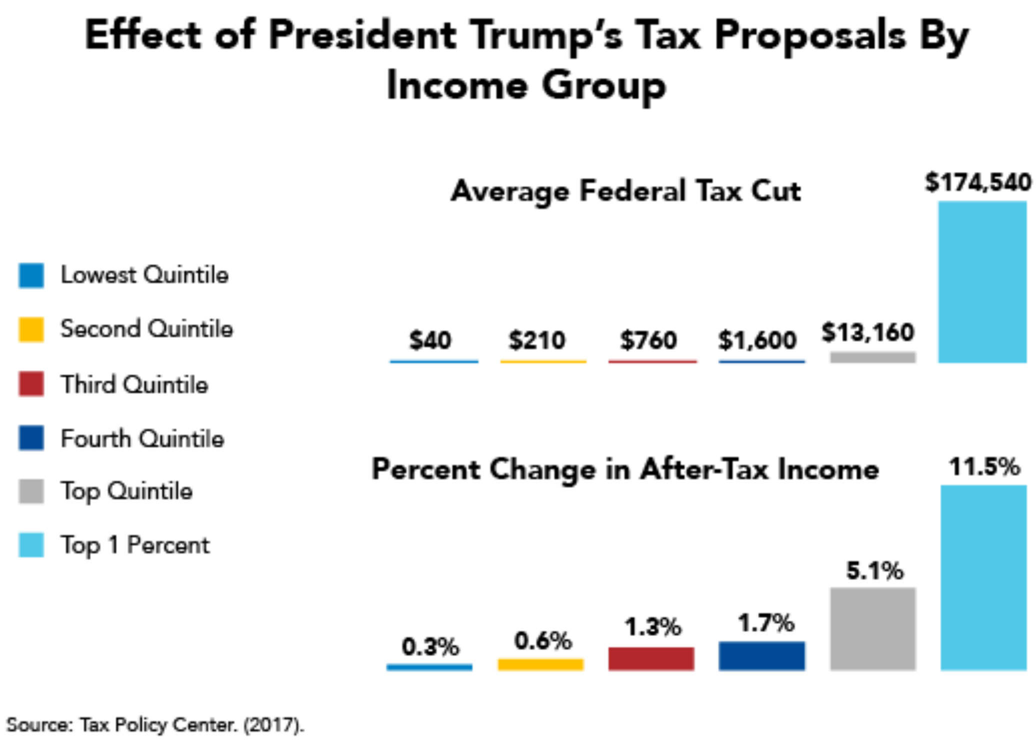
TPC based its interpretation of Mr. Trump's tax plan on the Administration's tax reform outline released in April 2017 and statements made by the Trump campaign during the 2016 election. The plan's tax cuts include repealing the Affordable Care Act's 3.8% net investment income tax; repealing the alternative minimum tax; setting maximum individual income tax rates at 10%, 25%, and 35%; doubling the standard deduction; reducing the corporate income tax rate to 15%; reducing tax rates on income from pass-through businesses to 15% (from current individual income tax rates); and repealing the estate tax. These tax cuts would decrease federal revenue by $7.8 trillion over the first ten years. The plan's provisions that could raise federal revenue include eliminating all individual income tax deductions, except for home mortgage interest and charitable contributions; repealing targeted tax breaks; repealing personal exemptions for taxpayers and their dependents; repealing the head-of-household filing status; treating distributions from large pass-through businesses as qualified dividends subject to individual income tax rates; and implementing an estate tax on unrealized capital gains above $5 million for individuals and $10 million for couples. These provisions could raise $4.3 trillion over the first ten years.

All of these provisions would increase after-tax income for the average taxpayer of any income. Higher-income taxpayers, however, would receive the highest average benefit and lower-income taxpayer very little. The highest-earning 20% of taxpayers would see an average decrease in their federal taxes by $13,160 and an increase in their after-tax income by 5.1%, while the lowest-earning 20% would see an average decrease of $40 in their taxes and an increase in their after-tax income by 0.3%. The highest-earning 1% of taxpayers would see an average decrease in their federal taxes by $174,540 and an increase in their after-tax income by 11.5%.

The Implications of What We Know and Don't Know about President Trump's Tax Plan is available at: http://tpc.io/2ufiHX7

Fact of The Week

President Trump's Tax Proposals Skewed Heavily to Wealthy



Source: Tax Policy Center. (2017). *The Implications of What We Know and Don't Know About President Trump's Tax Plan.* Washington, DC: Author.

From the Field

Oregon Legislature Increases Funding for Housing Development but Fails to Protect Tenants

The 2017 Oregon legislative session ended on July 10 with victories for affordable housing as well as leaving much additional advocacy work to be done. The legislature significantly increased investments to address Oregon's affordable housing needs, but it failed to pass a critical bill to provide greater housing stability for renters.

Oregon is facing a severe housing crisis that shows no sign of abating. Both rural and urban communities throughout Oregon are facing housing shortages, extreme rent increases, no-cause evictions, homelessness, and a lack of housing that people with low and even moderate incomes can afford.

The legislature approved $40 million for both the Emergency Housing Account and the State Homeless Assistance Program. These resources provide emergency rental assistance to prevent homelessness, move people into permanent housing, and support shelters and homeless services. Despite a tight fiscal environment, these programs received increases from previous years, demonstrating the legislature is recognizing the state's acute level of need.

Housing development and preservation also received significant resources. SB 5506 allocated $80 million to the Local Innovation and Fast Track affordable housing program to develop more affordable housing, and SB 5530 allocated $25 million to preserve existing affordable homes.

The Oregon Housing Alliance, an NLIHC state partner, began the 2017 session advocating for investments in housing opportunity that would meaningfully address the state's housing crisis. While the legislature's investments ultimately fell short of the Oregon Housing Alliance's goals, they represented the largest dedication of funds in years. These additional resources will change the lives of thousands of Oregonians by providing them with additional affordable housing options and services.

The legislature failed, however, to protect existing tenants. A broad coalition of advocates, including those from tenant rights, affordable housing, labor, faith-based and culturally specific organizations, worked tirelessly to pass HB 2004. This bill would have protected tenants by ending no-cause evictions and repealing the state ban on rent stabilization. The legislation passed out of the House and Senate committees but died on the Senate president's desk. The four in ten Oregonians who rent their homes will continue to be at risk of losing their homes without the proposed protections.

The legislature also failed to fund foreclosure counseling at current levels when it cut the Oregon Foreclosure Avoidance program to $1.3 million. This program is crucial for homeowners who are struggling through the confusing foreclosure process. Counseling agencies will do their best to serve people with the resources available until they run out.

For housing advocates, the 2017 legislative session resulted in a greater state commitment to fund affordable housing and services but failed to afford Oregon renters the protections they need. Oregon's housing advocates, like the Housing Alliance and NLIHC's other Oregon state partner, the Oregon Opportunity Network, will continue to fight both for adequate affordable housing funding and for tenants' rights in the coming legislative sessions. "We are so grateful for the advocacy of our many partners this session," said Alison McIntosh of the Oregon Housing Alliance. "Their hard work, dedication, and compelling stories moved us forward. We look forward to reconvening and coming back in 2018 to continue this work together."

To learn more, read the Oregon Housing Alliance's 2017 Housing Opportunity Agenda and its outcomes here and their end-of-session recap here.

Resource

GAO Compares Eligibility Criteria and Benefits of Federal Low Income Programs

The U.S. Government Accountability Office (GAO) published a report that compares the eligibility criteria and benefits of six federal programs that assist low income households. The six programs the GAO compared were the Earned Income Tax Credit (EITC), Medicaid, Housing Choice Vouchers (HCVs), Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), and Temporary Assistance to Needy Families (TANF).

The GAO report summarized program differences (in target populations, work requirements, income limits, how income is accounted, and asset limits) that can increase administrative costs and impact households' access to assistance due to the need to visit multiple offices and complete multiple applications. Efforts to better align these programs are difficult because the programs are authorized by different federal statutes originating from numerous Congressional committees. The report, however, identifies efforts to streamline eligibility rules, which include aligning application and eligibility determination processes and making greater use of technology to share data across low income programs.

The GAO report titled *Federal Low-Income Programs: Eligibility and Benefits Differ for Selected Programs Due to Complex and Varied Rules* is available at: https://www.gao.gov/products/GAO-17-558

Event

Pre-Event Registration for August 14-18 NTI in Philadelphia Ends Today

Today, July 24, is the last day for pre-event registration for the August 14-18 NeighborWorks Training Institute (NTI) in Philadelphia. The NTI offers more than 100 course offerings in affordable housing development and financing; housing asset management; community engagement; community revitalization; community economic development; housing construction and rehabilitation; financial capability and homeownership education, coaching, and counseling; nonprofit management and leadership; and single-family and small business lending. In addition to taking training courses throughout the week, participants can attend a mid-week symposium, "Creating Opportunities for Financial Inclusion and Economic Empowerment" on August 16.

More information about the NTI is at: http://bit.ly/2rgCylb

Register for the NTI at: http://bit.ly/1ATs8Ia

Other NLIHC News

NLIHC Seeks Interns for Fall Semester

NLIHC is still accepting applications for internship positions for the fall 2017 semester. 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:

- **Field Intern**. Assists the NLIHC Field team in creating email campaigns focused on important federal policies, writing blogs, managing our database of membership records, mobilizing the field for the legislative efforts, and reaching out to new and existing members.

- **Communications/Media/Graphic Design Intern**. 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. Also assists with sending out e-communications; designing collateral print material such as brochures, flyers, and factsheets; and updating content on the NLIHC website. Graphic design and Adobe Creative Cloud (Illustrator, InDesign, and/or Photoshop) experience needed. Please provide 3 design samples and/or link to online portfolio in addition to a writing sample.

Fall interns are expected to work 25 hours a week beginning in August or September and finishing up in December. A modest stipend is provided. 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 the fall 2017 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.

Amazon Smile Your Way to Support NLIHC!

Amazon Smile is a simple and automatic way for you to support NLIHC and our mission to ensure that the lowest income households in America have access to affordable and decent homes. With every Amazon Smile purchase, Amazon will donate a portion of the purchase price to NLIHC at no additional cost to you!

Click here to support NLIHC's work while shopping.

Thank you for your support!

NLIHC Welcomes 42 New Members in Second Quarter of 2017

Welcome to the following organizations and individuals who joined the National Low Income Housing Coalition in the second quarter of 2017. We thank you for your support of NLIHC and for your contributions toward ending homelessness and housing poverty in America.

New Organizational Members:

- Affordable Housing Online, Salisbury, MD
- Alliance for Housing Solutions, Arlington, VA
- Austin Housing Coalition, Austin, TX
- Community Development Corporation of Long Island, Centereach, NY
- Hinesville Housing Authority, Hinesville, GA
- Humphrey Institute, University of Minnesota, Minneapolis, MN
- Lyncrest Group, Oceanside, NY
- YOUnity Village, LP, Terre Haute, IN

New Individual Members:

- La Toya Austin, Alexandria, VA
- Joseph Biber, Croton On Hudson, NY
- Catherine Carr, Philadelphia, PA
- Santiago Cely, Miami, FL
- Melissa Clements, Aurora, CO
- Elena Coley, Montclair, NJ
- Miltonya Covington, Forest Park, IL
- Karen Flock, Ventura, CA
- Joanne Forman, Ranchos De Taos, NM
- Joseph Frewer, Bronx, NY
- Marilyn Garlington, Cambridge, MA

- Rosemary Girard, Arlington, VA
- Ryan Haynes, Saint Louis, MO
- Brendan Hellweg, Holyoke, MA
- Ann Horst, Vista, CA
- Chaz Jenkins, Atlanta, GA
- Abigail Lemay, Orlando, FL
- Nancy Lewis, Los Angeles, CA
- Paula Lomazzi, Sacramento, CA
- Jackie Magallan, Los Angeles, CA
- Maggie Mazyck, Vero Beach, FL
- John Millerick, Medford, MA
- Marjorie Pang, Providence, RI
- Nan Parson, Park Ridge, IL
- Sylvia Robinson, Aurora, CO
- Nicole Rolfe, Dallas, TX
- Karen Rose, Norfolk, VA
- Susanne Sere, Houston, TX
- Bailey Smuhl, Washington, DC
- Catherine Stanford, Highland Park, NJ
- Matthew Strickland, Portland, OR
- Noureddine Talbi, Millbrae, CA
- Rebecca Walter, San Antonio, TX
- Amanda Whalen, Genoa, IL

Where to Find Us – July 24

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

- The Monarch Housing and New Jersey Housing and Community Development Network 2017 New Jersey Congressional Reception in Washington, DC on July 26
- NeighborWorks Training Institute in Philadelphia, PA, August 14-16
- The United Native American Housing Association Summer Meeting in Polson, MT on August 21
- Kansas Housing Conference in Wichita, KS on August 23
- The Hudson Valley Pattern for Progress Event in Newburgh, NY on September 14
- New York Association on Independent Living statewide conference in Troy, NY, September 18-19
- Tennessee Housing Development Agency Conference in Nashville, TN on September 21
- The Housing Washington 2017 "24th Annual Affordable Housing Conference" in Spokane, WA, October 2-4
- Empower Missouri annual conference in St. Louis, MO, October 5-6
- Grounded Solutions Intersections 2017 in Oakland, CA, October 9-12
- NALCAB's 2017 National Conference in Ft. Lauderdale, FL on October 11
- Ohio Housing Conference, Columbus, OH on November 7
- ReFrame Association Conference: Home, Health, and Hope in Kingsport, TN on November 9
- Low Income Housing Coalition of Alabama 2017 Housing Works! Conference in Orange Beach, Alabama, November 15-17
- Yale University event in New Haven, CT on November 28

NLIHC in the News

NLIHC in the News for the Week of July 16

The following are some of the news stories that NLIHC contributed to during the week of July 16:

- "Minimum-wage workers can't afford their 1-bedroom apartments," *MSN.com*, July 14 at: http://bit.ly/2vtbD7D

- "California housing crisis spurring lawmakers into action," *San Francisco Chronicle*, July 15 at: http://bit.ly/2tetKkn

- "The Future Of Public Housing Under Trump Budget Cuts," *International Business Times*, July 16 at: http://bit.ly/2tOG6uJ

- "The US's Public Housing Crisis May Worsen With Trump Budget," *Truthout,* July 21 at: http://bit.ly/2uJtZn1

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Sarah Jemison, Housing Advocacy Organizer, x244
Paul Kealey, Chief Operating Officer, x232
Aubrey Kearney, Policy Intern, x252
Miriam Keller, Policy Intern, x241
Joseph Lindstrom, Manager, Field Organizing, x222

Lisa Marlow, Communications Specialist, x239
Sarah Mickelson, Director of Public Policy, x228
Khara Norris, Director of Administration, x242
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Katherine Randall, Research Intern, x249
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Christina Sin, Development Coordinator, x234
Elayne Weiss, Senior Housing Policy Analyst, x243
Renee Willis, Vice President for Field and Communications, x247
Diane Yentel, President and CEO, x228