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Disaster Housing Recovery

HUD Releases Notice Guiding Use of \$10 Billion in CDBG-DR

A HUD Exchange email on August 2 distributed an advance copy of the notice guiding states' use of \$10 billion in CDBG-DR funds intended to address unmet long-term disaster-related needs stemming from 2017 disasters. On February 9, 2018, Congress appropriated \$28 billion in CDBG-DR. Of that amount, \$16 billion is to be used to address unmet needs, \$11 billion of which is to be allocated to states impacted by Hurricane Maria, with \$2 billion of the \$11 billion set aside for rebuilding the electrical systems of Puerto Rico and the U.S. Virgin Islands. The remaining \$12 billion is set aside for mitigation projects.

On April 10, HUD announced \$10 billion would be allocated for unmet needs, indicating how much would be available for each state. (For the purpose of the notice, Puerto Rico and the Virgin Islands are generally included in the term "state.") The notice released on August 2 only applies to the \$10 billion for unmet needs; a future notice will provide direction pertaining to mitigation funds and the electrical power systems in Puerto Rico and the Virgin Islands.

The top four key features of the notice are:

1. The public review and comment period is increased to 30 calendar days (up from 14).
2. For multifamily housing, the required affordability period is changed from 20 years to:
 - a. 15 years if CDBG-DR is used to rehabilitate or reconstruct a multifamily rental property that has eight or more units.
 - b. 20 years if CDBG-DR is used to newly construct a multifamily rental property that has five or more units.
3. There is no reduction in the requirement that 70% of the funds be used for activities that benefit low and moderate-income households, those with income at or less than 80% of the area median income.
4. Because incomes in Puerto Rico are "unusually low," HUD will increase the low and moderate-income thresholds for determining whether an activity benefits "low and moderate income" people. HUD will publish the new thresholds on the HUD Exchange website.

Additional Features

NLIHC will prepare a comprehensive description of select provisions of the August 2 notice by next week. A summary of additional features based on an initial review follows.

Much of the February 9, 2018 notice applies

The August 2 notice amends the *Federal Register* notice published on February 9, 2018 (termed the "Prior Notice" in the new notice) that directs the use of \$7.4 billion in CDBG-DR funds appropriated by Congress on September 8, 2017 (see *Memo*, [2/26](#)). Except as indicated in the new notice, the funds allocated under it are subject to the requirements of the Prior Notice.

A table in the August 2 notice lists how much is available to each state from the \$7.4 billion and \$10 billion allocations. The table also indicates amounts available for the first time to California for the 2017 wildfires, as well as to Georgia (severe storms in January 2017 and Hurricane Irma) and Missouri (severe storms in April and May 2017).

States only have to submit a Substantial Amendment to their Action Plan

States that received an allocation from the \$7.4 billion appropriation (Florida, Puerto Rico, Texas, and the Virgin Islands) or local governments awarded funds from a state as a subgrantee (for example, Houston), do not have to draft a new Action Plan; rather, they only have to draft a Substantial Amendment to their existing Action Plan. The Substantial Amendment must be prominently posted on a grantee's official website for not less than 30 calendar days for public review and comment. The Substantial Amendment must be submitted no later than 90 days after the notice is published in the *Federal Register*, or 90 days after a state's initial Action Plan was approved in whole or in part, whichever is later.

Puerto Rico's Substantial Amendment must be reviewed for consistency with the Commonwealth's fiscal plan and its 12- and 24-month economic and disaster recovery plan.

Because California is receiving CDBG-DR for the 2017 wildfires for the first time, the state must draft a complete Action Plan and submit it to HUD for approval within 120 days from the date the notice is published in the *Federal Register*.

Each grantee's Action Plan must specify criteria for determining changes considered substantial. At a minimum, a Substantial Amendment is: a change in program benefit or eligibility criteria; the addition or deletion of an activity; or the dollar threshold of a reallocation of funds.

Affordability period for single-family home new construction

In addition to the altered affordability periods for multifamily rental housing mentioned at the beginning of this article, the notice also requires a five-year affordability period for newly constructed single-family housing. Grantees must develop and impose resale or recapture restrictions enforced through deed restrictions, covenants, or similar mechanisms. No affordability period is required for single-family housing rehabilitated or reconstructed with CDBG-DR.

Grantees must assess the cost-effectiveness of rehabilitation and reconstruction

Grantees must establish policies and procedures to assess the cost-effectiveness of proposed projects intended to assist households to rehabilitate or reconstruct homes using CDBG-DR from either the Prior Notice or the new notice. Grantees must have criteria for determining when the cost of rehabilitation or reconstruction will not be cost-effective compared to other means of assisting a property-owner, such as buyouts or acquiring property, or constructing area-wide protective infrastructure, instead of individual building mitigation, such as elevating an existing structure.

Allowing Puerto Rico and the Virgin Islands to use CDBG-DR to promote tourism

Puerto Rico and the Virgin Islands requested waivers to be able to use CDBG-DR for advertising and marketing to promote tourism in order to help rebuild their economies, both of which heavily rely on tourism. HUD has granted such waivers in the past and with this notice allows the Virgin Islands to use up to \$5 million and Puerto Rico to use up to \$15 million for tourism advertising and marketing. Puerto Rico also intends to use these funds to attract new businesses to generate jobs and tax revenues.

The August 2, 2018 advance version of the CDBG-DR notice is at: <https://bit.ly/2OqPXSm>

Additional Updates on Disaster Housing Recovery – August 13

The following is a review of additional housing recovery developments related to Hurricanes Harvey, Irma, and Maria, and the 2017 California wildfires since last week's *Memo to Members and Partners* (for the article in last week's *Memo*, see [8/6](#)). NLIHC also posts this information at our [On the Home Front](#) blog.

Federal Response

Congress

As a result of the successful advocacy of Disaster Housing Recovery Coalition (DHRC) partners in Puerto Rico, survivors of Hurricane Maria who do not have formal titles to their homes can now use alternative [documentation](#) to prove homeownership when applying for FEMA disaster assistance. Senators Robert Menendez (D-NJ), Elizabeth Warren (D-MA), Edward Markey (D-MA), Bernie Sanders (I-VT), Robert Casey (D-PA), Richard Blumenthal (D-CT), Sherrod Brown (D-OH), and Kamala Harris (D-CA) sent a [letter](#) to FEMA Administrator Brock Long urging him to broadly publicize the newly approved documentation. Senator Menendez's office also issued a press [release](#), with a quote from Diane Yentel, NLIHC president and CEO, and DHRC partner Ayuda Legal Huracán María released a [statement](#) that provides additional details about the new alternative documentation.

FEMA

Secretary of Homeland Security Kirstjen Nielsen, who oversees FEMA, [visited Puerto Rico and the U.S. Virgin Islands](#) to evaluate ongoing hurricane recovery efforts. She met with FEMA employees and state and local government officials, including Puerto Rico Governor Ricardo Rosselló.

State Action

The Texas General Land Office (GLO) [announced](#) a \$45,980,638 allocation of CDBG-DR funds to rehabilitate, reconstruct, and construct affordable multifamily rental housing damaged by Hurricane Harvey. Proposals for long-term disaster recovery projects in affected counties are due by October 23.

Resources

The Housing Assistance Council released a [2018 California Wildfires Disaster Guide Supplement](#) to their [Picking Up the Pieces: Restoring Rural Housing and Communities After a Disaster](#).

Congress

Senators Propose Two Bold Renters' Tax Credits Bills

Senators Kamala Harris (D-CA) and Cory Booker (D-NJ) separately introduced bold proposals to create fully refundable tax credits for cost-burdened renters, households spending more than 30% of their income for rent and utilities. Both bills directly address the widening gap between incomes and housing cost and would go a long way toward alleviating the housing crisis for people with the lowest incomes. For more information about the proposals, see NLIHC's factsheet, "[Bold Proposals for Renters' Tax Credits](#)."

The "Rent Relief Act" ([S. 3250](#)) introduced by Senator Harris would provide renters with a refundable tax credit covering a portion of the difference between what they can afford – 30% of their income – and their rent and utilities capped at 150% of fair market rent. The value of the credit would be based on the taxpayer's

income. The credit would cover: 100% of cost burden for households earning less than \$25,000; 75% of cost burden for households earning between \$25,000 and \$50,000; 50% of cost burden for households earning between \$50,000 and \$75,000; and 25% of cost burden for households with income between \$75,000 and \$100,000. Residents in federally assisted housing would also receive a tax credit valued at the amount paid for rent for one month.

The “Housing, Opportunity, Mobility, and Equity (HOME) Act” ([S.3342](#)) introduced by Senator Booker would provide a refundable tax credit for renters whose income is at or less than 80% of area median. The tax credit would cover the difference between what the household can afford – 30% of their income – and their rent and utilities capped at 100% of fair market rent.

Senator Booker’s bill would also require local governments and the private sector to build more housing affordable to the middle class. Under the proposal, local governments receiving Community Development Block Grant funds would be required to address regulatory and zoning barriers that drive up housing costs and restrict the ability of the private sector to build more rental homes for the middle class.

NLIHC’s factsheet comparing the two proposals is at: <https://bit.ly/2npi5K2>

NLIHC’s press release about Senator Booker’s bill is at: <https://bit.ly/2KmEP6r>

Senator Harris’ press release, featuring a quote from NLIHC president and CEO Diane Yentel, is at: <https://bit.ly/2O4FXyx>

Our Homes, Our Votes

Register for the August 14 *Our Homes, Our Votes* Webinar on Educating Low Income Renters about Voting Process

Register for the fifth webinar in the six-part [Our Homes, Our Votes](#) series on nonpartisan voter engagement. This webinar, “[I Vote for More Affordable Homes! Educating Voters Before Election Day](#),” will be held on August 14 at 3:00 pm ET. It will focus on how organizations can inform low income renters and allies about the voting process. Presenters will explain the usefulness of sample ballots and the value of describing offices up for election. They will also discuss the best ways to provide information about candidates in a non-partisan manner.

Register for the webinar series at: <https://bit.ly/2KooyTi>

The sixth and final webinar will take place on Tuesday, August 21, focusing on how organizations can mobilize people to turn out and vote. That webinar will explore aspects to consider regarding providing rides to the polls and coordinating election-day reminder calls. Presenters will also discuss the best ways to engage low income renters in communities that have early voting or vote-by-mail options.

More information on the upcoming webinars and recordings from past webinars are at our new [Our Homes, Our Votes website](#). The website is a one-stop-shop for information and resources on expanding low income renter voter registration and turnout.

Opportunity Starts at Home

Reminder: Register for *Opportunity Starts at Home* Informational Webinar

The [Opportunity Starts at Home](#) campaign will host its first [informational webinar](#) on August 16, from 3:00-4:00 pm ET. The webinar, “Broadening the Housing Movement,” will be presented by Mike Koprowski, national campaign director, and Chantelle Wilkinson, national campaign coordinator. Featured speakers include:

- Diane Yentel, president and CEO of NLIHC
- Dan Hawkins, senior vice president of the National Association of Community Health Centers
- Greg Payne, director of the Maine Affordable Housing Coalition and chair of NLIHC’s Board of Directors.

Help build this movement by spreading the word about the webinar within your organization and with your allies in other sectors, from education to healthcare to civil rights.

This webinar is open to all individuals and organizations interested in learning more about this exciting multi-sector housing campaign. Attendees will learn about the campaign’s progress, short- and long-term plans, policy advocacy goals, and ways to get involved.

Register for the webinar at: <https://bit.ly/2JWeADM>

Fair Housing

Sample Comment Letter and Sign-On Letter to Protect Disparate Impact Rule

The National Fair Housing Alliance (NFHA) has prepared a [sample comment letter](#) and a more detailed [sign-on letter](#) in response to HUD’s Advanced Notice of Proposed Rulemaking seeking comments regarding possible amendments to the Fair Housing Act disparate impact standard (see *Memo*, [5/14](#)). Comments are due August 20.

NLIHC and other fair housing advocates urge all advocates to submit a comment letter, no matter how brief, in support of the existing Disparate Impact rule without amendments. As a preview, comment letters should echo a paragraph in NFHA’s sample letter:

“In its current form, the Disparate Impact Rule is not only strong and effective, but it is also consistent with the standard set out in the 2015 Supreme Court decision in the *Inclusive Communities* case. It does not need to be revised. Instead, HUD must focus on vigorous enforcement of the Rule to remove unnecessary barriers to housing choice throughout our housing markets.”

Read NFHA’s sign-on letter [here](#).

Sign on to NHFA’s letter [here](#).

Read NHFA’s sample comment letter [here](#).

HUD’s June 20, Advanced Notice of Proposed Rulemaking is at: <https://bit.ly/2Mhek45>

Background information about Disparate Impact is on page 7-1 of NLIHC’s [2018 Advocates’ Guide](#)

American Medical Association Addresses Fair Housing and Chronic Homelessness

Delegates at the 2018 American Medical Association (AMA) Annual Meeting in Chicago adopted several policies intended to alleviate racial housing segregation and chronic homelessness.

With the aim of addressing racial housing segregation as an amplifier of health disparities, delegates adopted a policy stating that the AMA:

- Opposes policies that enable racial housing segregation.
- Advocates continued federal funding of publicly-accessible geospatial data on community racial and economic disparities and disparities in access to affordable housing, employment, education, and health care, including but not limited to HUD's Affirmatively Furthering Fair Housing tool.

In an effort to alleviate chronic homelessness, AMA's existing policy was amended, calling on the AMA to recognize that stable, affordable housing as a first priority, without mandated therapy or service compliance, is effective in improving housing stability and quality of life among individuals who are chronically homeless.

The policy changes reported in the June 15, 2018 *AMA Wire* are available at: <https://bit.ly/2APi5wf>

Research

Employment and Earnings Among NYC Homeless Adults

A study published in *Cityscape*, "[Employment and Earnings Trajectories During Two Decades Among Adults in New York City Homeless Shelters](#)" suggests an association between employment shocks and the onset of homelessness. Nonetheless, 45% of homeless single adults and 38% of homeless adults in families still earned wages from employment while homeless. The findings of the study also indicate that homeless single adults and homeless adults in families have different employment recovery experiences after exiting a shelter. The study authors are Stephen Metraux, Jamison Fargo, Nicholas Eng, and Dennis Culhane.

The researchers matched two large administrative datasets containing shelter use and employment data for 160,525 homeless adults in New York City from 1990 to 2002. The sample was divided into two comparison groups, homeless single adults (62%) and homeless adults in families (38%). The two datasets were shelter use records from the New York City Department of Homeless Services (DHS) and earnings records from the Social Security Administration (SSA).

The findings of the study suggest an association between job-related shocks and the onset of homelessness for both homeless single adults and homeless adults in families. Among homeless single adults, the employment rate dropped from 52% prior to entering shelter to 45% during their shelter stay. Among homeless adults in families, the employment rate dropped from 43% prior to entering shelter to 38% during their shelter stay.

The employment levels of homeless single adults and homeless adults in families appeared to diverge following homelessness. For single adults, employment levels steadily declined between entering and exiting shelter from 52% to 42%, while employment levels for adults in families increased from 38% to 58% between entering and exiting shelter. In addition, 63% of homeless adults in families exited shelter to stable living situations compared to just 20% of homeless single adults.

Working homeless single adults, however, earned more on average than working homeless adults in families prior to, during, and after their shelter stays. Working homeless single adults earned an average annual income from wages of \$12,965 prior to initial stay in a shelter, \$8,029 during shelter stay, and \$15,291 after exiting shelter. Average annual income from wages among working homeless adults in families was \$8,483 prior to initial stay in a shelter, \$7,342 during shelter stay, and \$13,531 after exiting shelter.

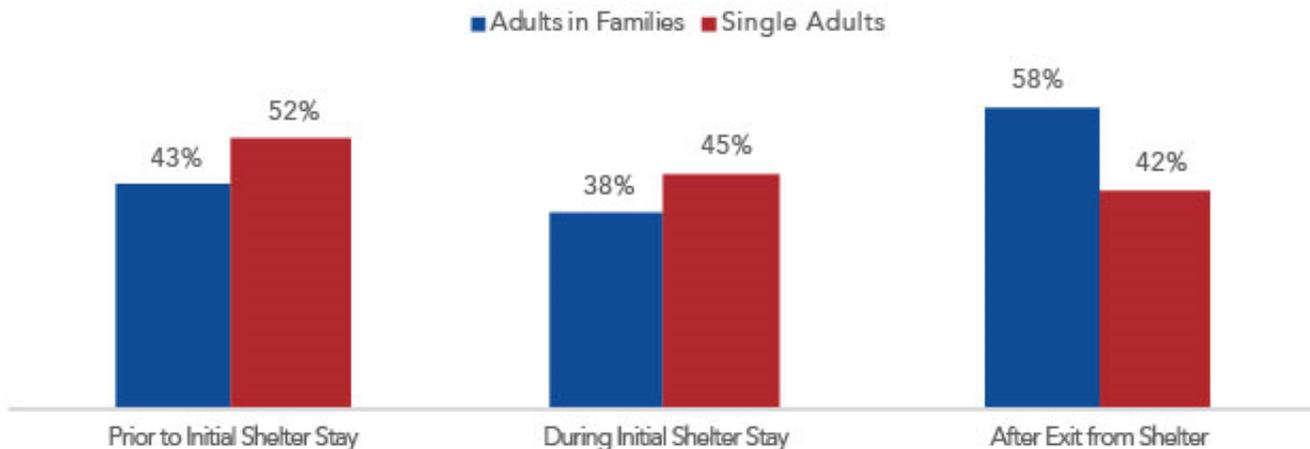
The authors suggest that differences in employment and earnings between homeless single adults and homeless adults in families were driven by demographic factors, namely gender and age. Most homeless adults in families were female and most single adults were male, and men tend to earn more than women in the general workforce. In addition, homeless adults in families tended to be younger than homeless single adults. While the employment rate among older homeless (or formerly homeless) adults was lower, earnings among those who still worked were higher.

Employment and Earnings Trajectories During Two Decades Among Adults in New York City Homeless Shelters is at: <https://bit.ly/2vr0Z2T>.

Fact of the Week

In NYC Homeless Shelters, 45% of Single Adults and 38% of Adults in Families Work

Average Annual Employment Rates Among Homeless Adults in New York City Shelters (1990-2002)



Source: Metraux, S., Fargo, J., Eng, N., and Culhane, D. (2018). Employment and earnings trajectories during two decades among adults in New York City Homeless Shelters. Retrieved from <https://www.huduser.gov/portal/periodicals/cityscape/vol20num2/ch11.pdf>.

Source: Metraux, S., Fargo, J., Eng, N., and Culhane, D. (2018). Employment and earnings trajectories during two decades among adults in New York City Homeless Shelters. Retrieved from <https://bit.ly/2vr0Z2T>

From the Field

San Diego Passes Ban on Source of Income Discrimination

Low income renters in San Diego will have more housing options available to them in the near future after the City Council passed a ban on source of income discrimination at their meeting on July 31. The new protection applies to renters who use subsidies to pay a portion of their rent, such as federal or local government vouchers as well as assistance from local nonprofit organizations. The city's fair housing ordinance was amended to

include legal source of income along with race, gender, religion, and other protected classes. The largest group to potentially benefit is Housing Choice Voucher (Section 8) recipients, who are often blocked from housing options before they even have a chance to apply. The inclusion of subsidies from nonprofit organizations will be particularly helpful for households assisted by homeless services agencies operating rapid rehousing programs.

Proponents told stories of being funneled to neighborhoods with high-density poverty because landlords regularly told them not to bother applying if they intend to use a rental subsidy. Representative Scott Peters (D-CA) sent a letter supporting the measure, explaining the extreme need amidst declining federal resources. The scarcity of landlords accepting vouchers is compounded by the loss of affordable homes with expiring subsidies, his letter explains.

Councilmember Georgette Gomez led the legislative effort, ultimately winning on a vote of 6 to 1. During floor discussion, councilmembers spoke of source of income discrimination as a form of de-facto racial segregation because the practice disproportionately impacts people of color. In San Diego, 86% of the 36,000 voucher recipients are non-white. San Diego becomes the tenth city in California to ban this form of discrimination.

The San Diego County Apartment Association led the campaign against the discrimination ban, claiming that it placed undue regulatory burden on landlords. Landlords specifically expressed concern about lost revenue during the time an apartment sits empty while waiting to be approved through federally-required inspections. The San Diego Housing Commission, which administers the Housing Choice Voucher program, refuted this concern by asserting that the average amount of time it takes for an apartment to be approved is 18 days. The new law creates a \$1 million fund to offset costs to landlords who rent to voucher holders and incur property damage beyond the amount of a security deposit.

“Passage of the Source of Income ordinance in San Diego is a triumph for all San Diegans,” said Branden Butler, senior attorney at the Fair Housing Center of the Legal Aid Society of San Diego. “Now, the days of lawful and legal discrimination against section 8 voucher holders will cease. In addition, subsidies paid directly by nonprofit organizations or rapid rehousing funds to housing providers are included in the new ordinance, which will provide greater assistance in housing homeless San Diegans.”

For more information about the successful campaign to ban source of income discrimination in San Diego, contact Branden Butler, senior attorney at the Fair Housing Center of the Legal Aid Society of San Diego at brandenb@lassd.org.

NLIHC in the News

NLIHC in the News for the Week of August 5

The following are some of the news stories that NLIHC contributed to during the week of August 5.

- “Two senators are proposing national rent relief bills. Here’s why it matters,” *Curbed*, August 10 at: <https://bit.ly/2AWzbse>
- “Mainers Brave Long Waitlists For Housing Assistance,” *Maine Public*, August 9 at: <https://bit.ly/2OvY5kk>
- “Sen. Harris’ bill offers relief for struggling renters,” *San Francisco Chronicle*, August 8 at: <https://bit.ly/2MAU2CZ>
- “Affordable housing: High demand, short supply,” *KJCT8.com*, August 8 at: <https://bit.ly/2w0zNY4>
- “In expensive cities, rents fall for the rich — but rise for the poor,” *The Washington Post*, August 6 at: <https://wapo.st/2MffcJP>

NLIHC News

Where to Find Us – August 13

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

- [Oklahoma Coalition for Affordable Housing's 2018 Affordable Housing Conference](#), Oklahoma City, OK, August 21-22
- [Florida Housing Coalition Annual Conference](#), Orlando, FL, August 27-28
- [NACCED Annual Conference](#), Minneapolis, MN, on September 24
- [Foundation for a Healthy St. Petersburg \(FHSP\) Housing Meeting](#), St. Petersburg, FL, on September 27
- [Federal Reserve Bank of Philadelphia: Reinventing Our Communities: Investing in Opportunity](#), Baltimore, MD, on October 1
- [Utah's 14th Annual Homelessness Summit](#), Salt Lake City, UT, on October 25
- [Maine Affordable Housing Coalition Conference](#), Portland, ME, on November 14

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