# Memo To Members & Partners

A weekly newsletter from the National Low Income Housing Coalition

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## Point of View

### The Price of Tax Reform Must Not Be More Housing Poverty - *by NLIHC President and CEO Diane Yentel*

Comprehensive tax reform offers a once-in-a-generation opportunity to address one of the biggest barriers to economic success for families struggling to get by: the lack of decent, accessible and affordable homes for the lowest income people. Nationally, there are just 35 homes affordable and available to every 100 of the lowest income families. Due to chronic underfunding of critical affordable housing programs, just one in four low income households in need receives any assistance. The rest either live on the cusp of homelessness – most paying more than half of their income on rent – or they are one of the hundreds of thousands of people who have no homes at all.

The spate of recent disasters increases the national shortage and the severity of the affordable housing crisis. Hurricanes Harvey, Irma and Maria, and wildfires in California, have together damaged or destroyed nearly 1 million homes, many of them affordable to low income people. The decreased supply, along with displaced people from Puerto Rico and the US Virgin Islands moving to the mainland, has led to rent spikes in communities that faced some of the most severe shortages of homes for the lowest income people even before the storms. In Florida, Texas, Puerto Rico, the US Virgin Islands and California, affordable housing will be the key to recovery.

Instead of seizing the opportunity tax reform presents to rebalance federal housing policy to end homelessness and housing poverty once and for all, House Republicans are working quickly to advance a tax bill that would: increase the severity of the affordable housing crisis by eliminating a critical resource for affordable housing development and preservation; siphon off savings from needed reforms to the mortgage interest deduction to pay for bigger tax breaks for corporations and wealthy households; and significantly increase the likelihood of severe cuts to the entire social safety net in the years ahead.

This bill, taken altogether, is irresponsible and unacceptable.

**Increasing the Severity of the Affordable Housing Crisis**

While the House Republican tax bill preserves the 9% Low Income Housing Tax Credit program (Housing Credit), it eliminates private activity bonds and the 4% credit, and fails to include any reforms to the Housing Credit to incentivize deeper targeting to make units affordable to the lowest income families.

The House Republican tax bill would repeal the tax-exempt status of private activity bonds, which are used to finance the construction and rehabilitation of multifamily housing for low income renters. Because the 4% Housing Credit is only available with debt financing from tax-exempt private activity bonds, the Republican bill essentially eliminates the 4% Housing Credit. This will have a severe impact on the construction and preservation of affordable homes throughout the country. Private activity bonds, and with them the 4% credit, are estimated to contribute to upwards of 60% of affordable homes built or preserved each year.

Many of NLIHC's partners have shared the negative impact this would have on their ability to construct or preserve affordable homes. A few examples:

- New York State would lose $4.5 billion in financing and, with it, the ability to construct or preserve over 17,000 homes, including many of the affordable homes planned in the City's affordable housing plan and in the state's efforts to create permanent supportive housing for the homeless. The New York City Housing Authority (NYCHA) alone would lose up to $3 billion in private financing for a plan to preserve and rehabilitate 15,000 public housing units over the next 10 years.

- Washington State would lose financing for over 2,000 affordable homes that would otherwise be built in the next two years, including homes for large families, people with disabilities and seniors.

- In California, $2.2 billion of 4% tax credit equity was used to finance affordable homes last year. At least 20,000 fewer affordable homes would be constructed or rehabbed next year as a result of the elimination of private activity bonds.

All told, the elimination of private activity bonds would mean the loss (not constructed or rehabilitated) of over 80,000 affordable homes each year. In addition, affordable multifamily housing rehabilitation or development for low-income communities in storm-ravaged Puerto Rico, U.S. Virgin Islands, Florida and Texas will be stalled without access to private activity bonds.

**Siphoning Housing Funding to Pay for Tax Cuts for the Wealthy**

House Republicans should be commended for taking on powerful Homebuilder and Realtor lobbyists and PACs to directly reform the mortgage interest deduction (MID), a highly regressive $70 billion annual tax expenditure that primarily benefits higher income households. The Republican bill would reasonably lower the amount of a mortgage on which the MID could be claimed from $1 million to $500,000 for new homes and eliminate the availability of the deduction for second homes. These changes to the MID would impact fewer than 6% of mortgages throughout the country and would save an estimated $95.5 billion over the first decade.

This is a good and historic first step. Unfortunately, instead of using the savings from MID reform to better target spending on rental housing solutions for those with the greatest needs, House Republicans funnel these and other savings to pay for highly regressive tax cuts for the richest households and corporations including: eliminating the estate tax and delivering a tax cut windfall to the heirs of the wealthiest 0.2% of estates in the country; repealing the alternative minimum tax, providing tens of billions of dollars in tax breaks to the highest income people; and lowering corporate tax breaks at a cost of $1.5 trillion over 10 years.

This use of savings from reforming housing policy to pay for tax cuts for wealthy individuals and corporations is unacceptable. Instead, Congress should reinvest the savings from MID reform into affordable housing solutions for the lowest income people like the national Housing Trust Fund and a renter's credit.

**Increasing the Likelihood of Severe Cuts to Social Safety Net**

The House Republican tax bill would increase the deficit by at least $1.5 trillion over a decade, a move likely to lead to deep spending cuts to critical social safety net programs including those for affordable housing and community development. The congressional budget resolution that started the process for these tax cuts calls for $5.8 trillion in budget cuts over the next decade, including $800 billion of cuts from the non-defense discretionary side of the budget. Republicans may use future legislation and spending bills to make such budget cuts, using projected increased deficits to justify doing so.

**Time to Act**

The House Ways and Means Committee begins debating this bill today, and will vote on it sometime this week. The full House may vote on it as soon as next week. Please call your representative today and urge them to vote no on this unacceptable tax bill.

Then call your senators and urge them to do better. Senators should work on a bipartisan tax reform bill that:

- Seizes a once-in-a-generation opportunity to rebalance federal housing policy by reforming the mortgage interest deduction and reinvesting the savings into proven solutions to end homelessness and housing poverty like the national Housing Trust Fund and a renter's tax credit.

- Preserves the Low Income Housing Tax Credit program and includes bipartisan reforms designed to strengthen the program to better serve our nation's lowest income households.
- Preserves private activity bonds that support the construction and preservation of affordable housing throughout the country.
- Avoids increased deficits and, with them, future spending cuts to critical affordable housing and other social safety net programs.
- Does not leave out low-income families while giving tax breaks to the wealthiest households and corporations.

Solutions to the affordable housing crisis are urgently needed and within our reach. Congress can and must do better to achieve these solutions in comprehensive tax reform.

Thank you for your advocacy,

Diane

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## NLIHC News

### NLIHC 2018 Housing Policy Forum to Explore Non-Partisan Voter and Candidate Engagement Prior to the 2018 Elections

NLIHC's 2018 Housing Policy Forum: Building the Movement taking place in Washington, DC, March 19-21, 2018, will explore non-partisan voter registration, engagement and mobilization, especially among low income citizens, and ways to get candidates for public office to make affordable housing a priority in their campaigns prior to the 2018 elections. Register for the Forum today!

The Policy Forum will provide a wide array of other opportunities to engage with affordable housing advocates, thought-leaders, policy experts, researchers, housing providers, low income residents, and leaders from Capitol Hill and the administration about building the affordable housing movement in 2018 and beyond. The Forum will explore the state of fair housing in America on the 50th anniversary of the Fair Housing Act; the threats and opportunities for affordable housing in 2018 and beyond; the keys to state, local, and resident-led organizing; making housing an issue with the media; and effective story-telling for affordable housing. The Forum will also feature sessions on a national campaign to expand the affordable housing movement with non-traditional allies; using dynamic research to change the story and influence policy solutions; ensuring housing protections for LGBTQ individuals; housing the formerly incarcerated; and others. There will also be opportunities to engage with leaders and staff at HUD and in Congress on affordable housing challenges, solutions and priorities.

At NLIHC's annual Housing Leadership Awards Reception taking place on March 20, 2018, NLIHC will celebrate the 2018 Housing Leadership Award honorees: **Senator Susan Collins** (R-ME); **Matt Desmond**, MacArthur Genius awardee and Pulitzer Prize-winning author of *Evicted: Poverty and Profit in the American City*; and **Lisa Hasegawa**, former executive director of the National Coalition for Asian and Pacific American Community Development and NLIHC board member. Each of these leaders has made extraordinary contributions to ending homelessness and housing poverty in America. Register for the Leadership Reception (a separate ticket from the Forum is required to attend the reception) and make a contribution to celebrate our 2018 honorees today.

A limited number of shared-lodging hotel scholarships to attend the 2018 Housing Policy Forum will be awarded on a first-come-first-served basis to low income residents who are NLIHC members and who pay to attend the Forum. Scholarships will be awarded to ensure a broad geographic distribution. A special session for low income residents will be held on the morning of March 19. For more information about the scholarships, visit http://nlihcforum.org or contact James Saucedo at: jsaucedo@nlihc.org or 202-662-1530 x233.

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### NLIHC Accepting Nominations for 2018 Organizing Awards

NLIHC is accepting nominations for the 2018 Annual Organizing Awards. The Organizing Awards recognize outstanding achievement during 2017 in statewide, regional, citywide, neighborhood, and/or resident organizing that furthers NLIHC's mission of achieving socially just public policy to ensure people with the lowest incomes in the U.S. have affordable and decent homes. Special consideration will be given to nominations that incorporate tenant- or resident-centered organizing. The awards will be presented at the NLIHC 2018 Housing Policy Forum, held March 19-21, 2018 at the Washington Court Hotel in Washington, D.C.
Nominations for the awards are due by 5:00 pm E.T. on Friday, January 12, 2018.

An Organizing Awards Committee composed of NLIHC board members and previous award winners will determine this year's honorees. One award will recognize statewide or regional achievements, and one award will recognize citywide or neighborhood achievements. NLIHC will provide two representatives of each honored organization a complimentary Forum registration, 2-3 nights of hotel accommodation, and transportation to Washington, D.C. to accept their award.

To be eligible, nominated organizations must be current NLIHC members. Organizations may self-nominate. NLIHC board members and Award Committee members may not nominate an organization with which they are employed or affiliated.

Nominations should contain the following information:

- Name and contact information of the organization being nominated;
- Name and contact information of the individual or organization submitting the nomination (if different from above);
- Scope of the achievement being nominated (i.e., statewide, regional, citywide, neighborhood, and/or resident organizing);
- Description of the organization's achievement in the area of state, local and/or resident organizing in 2017, and how that achievement has contributed to furthering NLIHC's mission (800-word maximum); and
- Supporting materials that describe the activity or impact, such as press clips or campaign materials (optional).

Please submit your nomination online using the form at http://www.nlihcforum.org/awards or send your nomination by email to jsaucedo@nlihc.org.

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## United for Homes

### House Republican Tax Bill Includes Historic Direct Reforms to Mortgage Interest Deduction, But Harms Affordable Housing

House Republicans released on November 2 the "Tax Cuts and Jobs Act" to make sweeping changes to the U.S. tax code. The plan takes a historic step in directly revising the mortgage interest deduction, a $70 billion annual tax expenditure that primarily benefits higher income households, including the top 1% of earners in the country, but the legislation fails to reinvest the savings from such reforms into affordable housing solutions for those most in need. The bill instead gives massive tax cuts to wealthy individuals and corporations. The legislation is estimated to increase the national debt by $1.51 trillion over a decade. Increasing the debt in this way will likely lead to deep spending cuts in the future to important domestic programs, including affordable housing and community development programs.

The proposal preserves the Low Income Housing Tax Credit Program, but eliminates private activity bonds which are critical to the production and preservation of affordable housing. The bill also eliminates the New Market Tax Credit program.

The House bill calls for slashing the corporate tax rate from 35% to 20% and would benefit wealthy Americans by repealing the alternative minimum tax and phasing out the estate tax, among other changes.

NLIHC has significant concerns with the tax bill and is calling on advocates to engage their representatives to defeat the bill. We will continue to work with our members and partners to ensure that tax reform efforts do not enrich corporations and wealthy Americans at the expense of people with the lowest incomes.

Read NLIHC President and CEO Diane Yentel's statement on the MID reforms in the Housing Republican proposal.

**Mortgage Interest Deduction**

The tax reform legislation proposal makes sensible reforms in doubling the standard deduction and lowering the amount of a mortgage against which the mortgage interest deduction (MID) can be claimed from $1 million to $500,000 for new home loans. This change to the MID would impact fewer than 6% of mortgages nationwide and would save an estimated $95.5 billion over the first decade.

The legislation, however, uses the savings generated by MID reform to pay for lower tax rates for billionaires and corporations without addressing the affordable housing crisis in America. This proposal is a non-starter.

Instead, Congress should reinvest the savings from MID reform into affordable housing solutions, like the national Housing Trust Fund, rental assistance, or a renter's credit, that would help the lowest income people in America—including seniors, people with disabilities and families with children - who too often struggle to pay the rent and make ends meet.

The NLIHC-led United for Homes campaign calls on the president and Congress to embrace smart reforms to the MID. These include reducing the amount of a mortgage eligible for a tax break from $1 million to $500,000 and converting the deduction into a credit, providing a greater tax break to 25 million low and moderate income homeowners, including 15 million mortgage holders who currently do not benefit from the MID. These reforms would generate $241 billion in savings over 10 years that should be reinvested into critical rental housing solutions, like the national Housing Trust Fund and rental assistance, for families with the greatest needs – not used to pay for lowered tax rates for wealthy individuals and corporations.

**Low Income Housing Tax Credit**

The tax reform bill preserves the 9% Low Income Housing Tax Credit program (Housing Credit), but it eliminates private activity bonds which essentially eliminates the 4% credit, and the bill fails to include any reforms proposed in the "Affordable Housing Credit Improvement Act" (HR 1661) introduced by Representatives Pat Tiberi (R-OH) and Richard Neal (D-MA) earlier this year. HR 1661 is designed to strengthen the Housing Credit program to ensure it better serves our nation's most vulnerable families.

The Republican tax plan would repeal the tax-exempt status of private activity bonds, which are used to finance the construction and rehabilitation of multifamily housing for low income renters. Investors purchase housing bonds at low interest rates because the income from them is tax-free. The interest savings made possible by the tax exemption is passed on to renters in reduced housing costs. States increasingly combine private activity bonds with other resources—including Housing Credits and HOME Investment Partnerships (HOME) program funds—to serve even lower income families for longer periods of time than law requires.

Because the 4% Housing Credit is only available with debt financing from tax-exempt private activity bonds, the Republican bill essentially eliminates the 4% Housing Credit.

One of the greatest barriers to increasing the supply of affordable housing for those who need it most is the lack of additional, deep-subsidy resources to ensure that the lowest income households in America can afford to pay rents in developments that remain financially sustainable. To overcome this barrier, the Tiberi-Neal bill increases the availability of Housing Credits for developments serving homeless and extremely low income households. The Tiberi-Neal bill also provides states and communities with flexibility to develop and preserve mixed-income developments that would allow even deeper levels of affordability while maintaining financial feasibility.

The Housing Credit may also be impacted by the lowered corporate tax rate, which could reduce demand and decrease the value it generates for affordable housing developments.

**Eliminated Tax Credits**

The proposal calls for repealing the New Market Tax Credit and the Historic Tax Credit. New Markets Tax Credits are used to help revitalize and spur economic development in low income communities. Historic Tax Credits encourage the preservation and adaptive reuse of certified historic and older buildings, and housing developers often pair these credits with Housing Credits to build low income housing.

**Earned Income Tax Credit**

The House bill retains the earned income tax credit (EITC) but does not expand it to cover low-wage childless workers and noncustodial parents.

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## House to Begin Debate on Republican Tax Reform Bill

The House Ways and Means Committee will consider the House Republican tax reform legislation, the "Tax Cuts and Jobs Act" (HR 1), on November 6 at 12:00 pm ET in room 1100 of the Longworth House Office Building. The Committee's debate of the bill may continue throughout the week as necessary. Learn more at: http://bit.ly/2iXT6hS

See NLIHC's call to action to defeat the House Republican Tax bill and take action here.

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## United for Homes Webinar: Understand the Proposed Tax Reform Legislation, November 8

United for Homes endorsers are invited to join a webinar, "The New Republican Legislation on Tax Reform: MID Reform and Next Steps for Our Campaign," on November 8 at 2:00 pm ET. Presenters from NLIHC's policy team will discuss the tax reform legislation unveiled by House Republicans on November 2, which lowers the cap on the mortgage interest deduction. Combined with an increase in the standard deduction, some estimates indicate the changes will result in only 4% of taxpayers using the MID. The Republican proposal does not, however, convert the MID into a tax credit or invest the savings from lowering the cap into affordable housing solutions for the lowest income people, as called for by United for Homes. Learn more about how United for Homes will engage as a campaign with respect to the proposed tax reform bill.

If you have not already registered for the monthly UFH endorser webinars, register for the November 8 event at: http://bit.ly/2irHS2E. Once you register, you will not need to register again for the monthly UFH endorser webinars.

If you are not already a UFH endorser, please join the campaign at: http://bit.ly/2lXytCa

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

All UFH webinars are available on the UFH website at: http://www.unitedforhomes.org/webinars/

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## Disaster Housing Recovery

### NLIHC Analyzes Hurricane Harvey Impact

NLIHC released a blog post that analyzes preliminary information about housing damage in Texas after Hurricane Harvey and registrants for assistance from FEMA's Individuals and Households Program (IHP). At the time of the analysis, 872,848 registrants had applied for assistance, 50% of whom were renters. Forty-seven percent of these renters live in neighborhoods with a poverty rate of at least 20%, and 37% likely have incomes less than $25,000. Renter registrants were also more likely than homeowners to have already been cost-burdened, spending more than 30% of their incomes on housing, prior to the storm. The blog notes that while homeowners have experienced a large share of home damage, many renters are likely to be of low socioeconomic status, detrimentally impacting their ability to cope with and recover from the disaster. NLIHC calls for an equitable distribution of long-term housing recovery funds.

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### HUD to Continue Providing Section 8 Subsidies to Owners of Properties Lacking Electricity and Running Water in Puerto Rico and the Virgin Islands

As previously reported in *Memo* on 10/30, HUD had been weighing whether it could legally provide Section 8 subsidy payments to owners of HUD-assisted properties in Puerto Rico and the Virgin Islands that lacked electricity and running water because the properties could not be considered decent, safe, and sanitary, even though owners were attempting to secure electricity. HUD's Office of Multifamily Housing Programs had a call on October 31, updating partners on their disaster recovery efforts, during which HUD indicated that owners of HUD-assisted multifamily properties in Puerto Rico and the Virgin Islands should continue to receive vouchers for November. HUD will continue to authorize payments as long as the certification for the physical condition of the property is attached.

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### Temporary Shelter Assistance and Other Housing Options Provided to Residents of Puerto Rico

The following are updates on hurricane recovery efforts in Puerto Rico related to Governor Ricardo Rosselló's request for FEMA to approve Temporary Sheltering Assistance (TSA) to provide residents with temporary hotel vouchers and FEMA's subsequent announcement about the Puerto Rico TSA program and other housing options available to the residents of the island.

**Puerto Rico Governor Rosselló Requests TSA**

In an October 25 letter to the FEMA Federal Coordinating Officer linked in a news article published by *Bloomberg News*, Puerto Rico Governor Ricardo Rosselló asked FEMA to approve Temporary Sheltering Assistance (TSA) to provide residents with temporary hotel vouchers. The letter states that Hurricane Maria destroyed more than 300,000 homes and damaged many more. "Many of our citizens face the daunting task of finding a safe place for their families to stay at a time when there is a severe shortage of housing options due to the catastrophic disaster," Governor Rosselló stated. He stressed the importance of Puerto Ricans remaining or returning to the island as critical to its recovery and urged that "any government assistance should not encourage people to relocate permanently."

The governor requested:

- TSA be made available for a period not to exceed 60 days or until additional on-island housing resources become available.

- FEMA authorize assistance through the Individual and Household Program to contribute to the cost of repatriating residents who have left the island to enable them to return before the expiration of the TSA program.

- FEMA immediately activate the Sheltering and Temporary Essential Power (STEP) program to deliver temporary repair assistance for those whose homes can be quickly repaired so that they can return home sooner. The STEP Pilot Program was designed by FEMA in the aftermath of Hurricane Sandy. The program was primarily intended to provide essential power to affected residences, reducing the demand for other shelter options and allowing individuals to return to or remain in their homes. In addition, STEP enables residents to return to or remain in their homes while permanent repairs are completed, thereby reducing the number of individuals in congregate shelters or in the TSA Program.

- FEMA immediately approve permanent or semi-permanent housing construction assistance so that residents can move quickly to reconstruct their homes and return to Puerto Rico.

- FEMA and other federal agencies move their personnel out of hotels and apartments into alternative housing locations such as ships or government-developed base camps.

After receiving the letter, HUD, FEMA, and staff from the White House met to discuss next steps in meeting the housing needs of Puerto Ricans both on and off the island. Over 70,000 people have left Puerto Rico since Hurricane Maria hit, and tens of thousands more are expected to move to the mainland. The purpose of the meeting was to consider a number of potential options including mass evacuation opportunities via cruise ships and the TSA program to give people hotel vouchers for short-term stays in or outside Puerto Rico. HUD's Disaster Housing Assistance Program was also discussed.

**FEMA Makes TSA Available for Puerto Rico**

FEMA announced on October 30 that (TSA) is now available to Puerto Ricans unable to return to their homes due to Hurricanes Irma and Maria. Transitional Sheltering Assistance allows eligible applicants to shelter in a hotel or motel for a limited period of time, as a FEMA pays all costs for rooms and taxes through direct payments to participating hotels and motels. For those currently in Puerto Rico:

- Consistent with the Governor's request, FEMA will prioritize placements for those currently residing in emergency shelters.

- FEMA will provide transportation to select locations in the continental United States, where people will be connected with support services and lodging.
- Transportation also will be provided for people to return to Puerto Rico.

**Additional Housing Options Available**

FEMA also announced on October 30 that a variety of housing programs in addition to the TSA program would be available for residents of Puerto Rico. Among the housing programs available are:

- *Tu Hogar Renace (Your Home Reborn):* Managed by the government of Puerto Rico, a homeowner's primary residence may be eligible for assistance for repairs to return the home to safe, habitable, and functional conditions. Work includes repairs to keep roofs from leaking, replacement of damaged windows and doors, repairs to damaged walls, and water heaters.
- *Direct Lease:* Vacant units are leased by FEMA and used as temporary housing for disaster survivors. FEMA pays the rent for these units. Utility costs and other expenses not covered in the lease are the responsibility of the household.
- *Multi-Family Lease and Repair (MLR):* FEMA identifies and prepares existing vacant rental properties to house survivors in multifamily residential units. Vacant units are leased by FEMA and are used as temporary housing for disaster survivors. FEMA pays the rent for these units. Utility costs and other expenses are the responsibility of the disaster survivor.

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## Texas Hurricane Housing Recovery Updates

The following are updates on Hurricane Harvey recovery efforts in Texas related to a request from the Governor's Commission to Rebuild Texas for $61 billion in additional federal assistance for rebuilding infrastructure, the Texas General Land Office's estimates of losses from Hurricane Harvey, and Lone Star Legal Aid's request to waive housing voucher restrictions.

**Governor's Commission to Rebuild Texas**

The Governor's Commission to Rebuild Texas asked Congress for more than $61 billion in additional federal assistance for public infrastructure such as roads, bridges, schools, and other public facilities. Also included are projects designed to mitigate the impact of future storms by dealing directly with protecting coastal infrastructure, homes, businesses, critical facilities, and the petrochemical complex. The request would be above current FEMA expenditures, and does not include the funding needs estimated by the Texas General Land Office's Texas Rebuilds programs. Sixty percent of the money would be used for flood control, 33% to buy out and elevate houses, and the rest for hazard mitigation, water utilities, roads, and bridges. The Commissioner of Rebuild Texas, John Sharp, describes the request as a current "snapshot" of needs based on reports from city and county officials.

The 301-page report indicates that of the $61 billion request, $15.33 billion would be for CDBG-DR, $6.3 billion for FEMA, $36.6 billion for the Army Corps of Engineers, and the balance for five other federal programs, including $502 million for various state educational agencies. The bulk of the report breaks down program funding county-by-county. The CDBG-DR uses are on pages 55 through 77 of the report. It should be noted, however, that all of the Army Corps of Engineers projects indicate that CDBG-DR might also be a source of funding. Many of the CDBG-DR projects, amounting to $829 million, would entail homeowner buyouts, removing properties from a floodplain, and enabling homeowners to buy in locations outside of flood zones. In addition, $9 billion would assist in the short-term and long-term recovery of single-family and multifamily housing stock in Houston damaged by Hurricane Harvey. An additional $4.5 billion would be used acquire/demolish, relocate, and elevate homes, and would provide for mitigation reconstruction for 15,000 homes in Houston. Various flood mitigation projects would receive $502 million, and restoration of electrical public utility distribution, transmission, and generation infrastructure would receive $500,000.

**Texas General Land Office**

A media release from Commander George P. Bush of the General Land Office (GLO) estimates losses of more than $68.6 billion due to Hurricane Harvey. This estimate is based on "impacts tied to business interruption, economic losses, unemployment, property tax revenue decreases, agricultural losses, and other measures that are difficult to quantify." The GLO oversees temporary and permanent housing needs through their Texas Rebuilds programs.

**Lone Star Legal Aid Letter Asks HUD for Voucher Waivers**

Lone Star Legal Aid and the law firm of Michael Daniel and Laura Beshara sent a letter to HUD on October 27 asking HUD to waive certain provisions of the Housing Choice Voucher (HCV) program in order to help make more housing available and affordable for those displaced by Hurricane Harvey. A media release summarizing the letter notes that Lone Star has a client population of 1.47 million people with incomes less than 125% of the federal poverty level in 24 of the 39 disaster counties. The letter makes a number of requests, including:

1. Waiving restrictions imposed on the Houston Housing Authority (HHA) by an April 21, 2017 letter that forces many voucher households to remain in dangerous, unhealthy, and unsafe units and neighborhood conditions. In short, because HHA had a $9 million voucher funding shortfall, the HUD letter instructed HHA to:
   a. Cease issuing vouchers to applicants;
   b. Rescind any vouchers remaining on the street that were issued to applicant families and cease leasing those rescinded vouchers, unless the applicant family has turned in a Request for Tenancy Approval and the unit has passed inspection;
   c. Prohibit current voucher participants to port (move with their voucher) to higher cost areas or voluntarily move to higher cost units within HHA's jurisdiction.
2. Approving increased voucher administrative fees to cover:
   a. Increased costs of inspections, and to enable speedier household screening;
   b. Financial assistance to convince landlords to accept vouchers by providing incentive payments and security deposits;
   c. Housing search assistance counselling to help residents find housing.
3. Authorizing the use of Small Area Fair Market Rents (SAFMRs) that are based on rents in ZIP codes rather than the single Houston metro-wide FMR. The letter states that HUD recently informed disaster area housing authorities that they could seek an increase in the voucher payment standard up to 150% of the metro area FMR (normally the maximum payment standard is 110% of the FMR). The letter acknowledges that the 150% payment standard is a good start, but it is still insufficient in many areas that have available rental units in good condition but with higher rents.
4. Waiving the existing voucher portability restrictions which limit portability to areas that have a public housing agency (PHA) operating a voucher program. Many adjoining or nearby suburbs that have available rental units do not have a PHA with a voucher program. Even where a PHA with a voucher program exists, the regulations involve a complicated process that requires close cooperation between the PHAs.

## Senators from Florida and Texas Weigh In on Disaster Recovery

Senators from Florida and Texas raised concerns about delays in disaster recovery efforts in the wake of Hurricanes Harvey, Irma, and Maria and called for action from the administration, Congress, and FEMA.

Florida Senators Marco Rubio (R) and Bill Nelson (D) sent a letter to FEMA Administrator Brock Long expressing their concern about the lack of housing options for hurricane survivors. Delays in providing temporary housing, like manufactured homes and direct leasing options, are causing people to live in dangerous, unsustainable housing conditions. The letter also notes that the current estimate for a housing inspection, a required step for FEMA Individual Assistance claims, is 45 days, compared to 10 days during Hurricane Katrina. The Senators ask the agency to increase housing options and the number of inspections and to cut down the wait time for the FEMA helpline.

Senator John Cornyn (R-TX) raised concerns that, after being given assurances from Congressional leadership and the White House that a third supplemental spending bill addressing hurricane recovery would move quickly in November, the timeline is slipping. Senator Cornyn said he has been given indications that the next supplemental spending bill will require spending offsets elsewhere in the budget, and that leadership may now look to tie supplemental funding to a year-end spending bill for the full federal government or to a Continuing Resolution. Each of these eventualities could significantly complicate the passage of additional disaster recovery and rebuilding spending for impacted communities in a timely manner.

## Congress Holds Hearings on Disaster Recovery Response and Programs

Congressional committees held several hearings the week of October 30 on the federal response to the recent hurricanes. The Senate Committee on Homeland Security and Governmental Affairs conducted an oversight hearing on October 31 to assess the immediate response from agencies such as FEMA and the U.S. Army Corps of Engineers. The House Financial Services Subcommittee on Oversight and Investigations held a hearing on November 1 to examine effectiveness and efficiency of HUD's Community Development Block Grant-Disaster Recovery (CDBG-DR) program.

The House Committee on Financial Services Subcommittee on Oversight and Investigations held a hearing regarding HUD's CDBG-DR program on November 1. Helen Albert, acting inspector general in the Office of the Inspector General for HUD, was the sole witness. She described the program as vital to long term recovery efforts. Ms. Albert warned that excessive waivers on CDBG-DR funding, such as a reduction of funds reserved for low to moderate income households, harm the intended purpose of the program. Ms. Albert also acknowledged that CDBG-DR funds have been used inappropriately in the past, but offered several recommendations for improvement. She said that HUD needs additional staff devoted to disaster recovery in order to provide better guidance and oversite. She also suggested that instead of issuing a *Federal Register* notice for each disaster, HUD should be instructed by Congress to formally codify a single disaster recovery program to ensure a permanent formal framework for future disasters. Ms. Albert also recommended that HUD work with the Small Business Administration (SBA) and Congress to ensure that there is a clear and established order of funding priority for recipients, because SBA loans, although disbursed quickly, must be repaid, while CDBG-DR grants arrive later but do not have to be repaid. In response to a question from Representative Joyce Beatty (D-OH), Ms. Albert said she does not believe HUD currently has the resources to administer CDBG-DR.

During the Senate Homeland Security and Governmental Affairs Committee hearing, witnesses testified the about their agencies' work following Hurricanes Harvey, Irma, and Maria. Questions focused mostly on restoring power in Puerto Rico and the Virgin Islands and FEMA's role in the disaster response process. FEMA

Administrator Brock Long stressed that local and state governments should be leading the efforts as much as possible and advocated for more funding to ensure cities and states are resilient and disaster-ready. Neither witnesses nor committee members mentioned short-, medium-, or long-term housing needs.

Learn more about the House Committee on Financial Services Subcommittee on Oversight and Investigations hearing at: http://bit.ly/2zbZbhF

Learn more about the Senate Homeland Security and Governmental Affairs hearing at: http://bit.ly/2yQCIDI

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## HUD Provides Numbers of HUD-Assisted Properties and Units in Disaster Areas and of Assessments Completed

HUD's Office of Multifamily Housing Programs provided the numbers of HUD-assisted properties and units in disaster-affected areas in Texas, Florida, Georgia, Puerto Rico, the Virgin Islands, and California, as well as the number of on-site disaster assessments that have been completed in Texas, Florida, and California as of October 31.

The numbers provided by HUD:

Texas
- 454 properties in the impacted area
- 51,072 units in the impacted area
- 20,971 assisted units in the impacted area
- All on-site assessments have been completed

Florida
- 910 properties
- 106,513 total units
- 45,902 assisted units
- 90+ on-site property assessments completed with 30 scheduled

Georgia
- 62 properties
- 5,249 total units
- 2,874 assisted units

Puerto Rico
- 203 properties
- 21,013 total units
- 19,859 assisted units
- No on-site assessments completed. The disaster teams have had difficulty contacting properties and obtaining access to them. HUD anticipates the teams will begin assessments in in mid- to late-November.

Virgin Islands
- 17 properties
- 1,474 total units
- 1,468 assisted units

California

- 176 properties
- 14,024 total units
- 8,454 assisted units
- 85% of preliminary assessments completed. Only 3 properties have reported damage, which is minor and due to smoke, not fire.

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## Additional Updates on Disaster Housing Recovery

The following is a review of additional housing recovery developments related to Hurricanes Harvey, Irma, and Maria, and the California wildfires since last week's *Memo to Members and Partners* (for the article in last week's *Memo*, see 10/30). NLIHC also posts this information at our On the Home Front blog.

**General Updates**

NLIHC has created several resources about disaster recovery efforts:

- A fact sheet about the Disaster Housing Assistance Program (DHAP) to use in education and advocacy efforts.

- A blog highlighting early findings from FEMA data available in the Hurricane Harvey areas. At the time the blog was written, 872,848 individuals have applied for FEMA assistance, 50% of whom are renters. Forty-seven percent of these renters live in neighborhoods with a poverty rate of at least 20%, and 37% of these renters likely have incomes below $25,000. While homeowners have experienced a large share of home damage, many renters are likely to be of low socioeconomic status, negatively impacting their ability to cope with and recover from the disasters. NLIHC reported to FEMA problems with data for Florida and Puerto Rico, which FEMA recently corrected. NLIHC will provide early findings from Florida and Puerto Rico soon and will provide revised analyses for all of the disaster areas as FEMA updates its data.

- A chart of HUD-Assisted Housing in Disaster Areas.

- A summary of FEMA and SBA application deadlines.

**California Wildfires**

**FEMA**

By the Numbers: (as of 11/2)

- 3,562 Individual Assistance (IA) applications approved*
- $7,294,299 Individual & Household Program (IHP) approved*
- $4,756,140 Housing Assistance (HA) approved*
- $2,538,159 Other Needs Assistance (ONA) approved*
  *Assistance dollars approved but not necessarily disbursed.

**Hurricane Maria**

**FEMA**

**Puerto Rico**

By the Numbers: (as of 11/2)

- 224,129 Individual Assistance (IA) applications approved*
- $122,883,940 Individual & Household Program (IHP) approved*
- $104,043,732 Other Needs Assistance (ONA) approved*
- $411,852,200 Public Assistance Grants (PA) obligated all of which are for Emergency Work (Categories A-B) **
  *Assistance dollars approved but not necessarily disbursed.
  **Funds made available to the state via electronic transfer following FEMA's final review and approval of Public Assistance projects

**U.S. Virgin Islands**

By the Numbers: (as of 11/2)
- 2,896 Individual Assistance (IA) applications approved*
- $2,447,254 Individual & Household Program (IHP) approved*
- $703,174 Housing Assistance (HA) approved*
- $1,744,080 Other Needs Assistance (ONA) approved*
- $16,547,917 Emergency Work (Categories A-B) dollars obligated**
  *Assistance dollars approved but not necessarily disbursed.
  **Funds made available to the state via electronic transfer following FEMA's final review and approval of Public Assistance projects.

**USDA**

Households in the U.S. Virgin Islands recovering from Hurricanes Irma and Maria may be eligible for assistance through the Disaster Supplemental Nutrition Assistance Program (D-SNAP). Households not normally eligible for SNAP may qualify for D-SNAP and receive two months of benefits. Current SNAP participants will receive disaster supplements to bring their October and November benefits up to the maximum allotment. In addition, all students will receive free meals through the School Breakfast Program (SBP) and National School Lunch Program (NSLP), as will participants in the Child and Adult Care Food Program (CACFP), through December 31. These free meals will potentially benefit more than 1,550 schools and 450,000 children.

***Local Perspective***

At least 10,000 people have applied for unemployment benefits since the Department of Labor reopened its San Juan office on October 6. Destroyed buildings and lack of power has made returning to work impossible for many Puerto Ricans. Unemployment benefits can help, but at a maximum of $133 per week, families without other incomes are still struggling. Many smaller businesses will never be able to reopen.

**Hurricane Irma**

**FEMA**

**Florida**

By the Numbers: (as of 11/2)
- 724,713 Individual Assistance (IA) applications approved*
- $870,918,045 Individual & Household Program (IHP) approved*
- $596,145,787 Housing Assistance (HA) approved*
- $274,772,258 Other Needs Assistance (ONA) approved*
  *Assistance dollars approved but not necessarily disbursed.

The deadline for Hurricane Irma survivors to register for FEMA individual disaster assistance has been extended to November 24. This assistance can include money for rental assistance, essential home repairs, personal property losses, and other disaster-related needs.

The Transitional Sheltering Assistance (TSA) program has extended the checkout date from November 5 to December 3. TSA pays for survivors to stay in hotels while they find other housing options.

Households in Collier, Hendry, Lee, and Monroe Counties whose homes are now uninhabitable may be presented a Direct Lease option. FEMA provides temporary housing directly to households when rental resources are unavailable. Direct lease can be arranged for units in apartments or multifamily residential buildings. Each unit will contain complete facilities for cooking, eating, and sanitation. All utilities and cable, if provided, are included in the rent. Units will be within reasonable access to community services such as public transportation, schools, fire and emergency services, and grocery stores. These households may also receive Direct Temporary Housing Assistance from FEMA, which may be in the form of travel trailers. Households cannot apply directly for Direct Housing; FEMA will call households that are eligible. Households with no other options for temporary housing may be eligible for direct housing in the form of a travel trailer on a month-to-month basis for up to six months. Applicants must search for long-term housing options. Every 30 days FEMA evaluates each applicant's eligibility to remain in a unit.

**Georgia**

By the Numbers: (as of 11/2)

- 8,868 Individual Assistance (IA) applications approved*
- $11,846,207 Individual & Household Program (IHP) approved*
- $8,607,147 Housing Assistance (HA) approved*
- $3,239,060 Other Needs Assistance (ONA) approved*
  *Assistance dollars approved but not necessarily disbursed.

DeKalb and Haralson counties are now eligible to receive federal assistance for permanent work funding under the Public Assistance program. This assistance allows state and local governments to be reimbursed for at least 75% of the costs of infrastructure repair.

**Puerto Rico**

By the Numbers: (as of 11/2)

- 783 Individual Assistance (IA) applications approved*
- $1,819,487 Individual & Household Program (IHP) approved*
- $953,003 Housing Assistance (HA) approved*
- $866,484 Other Needs Assistance (ONA) approved*
  *Assistance dollars approved but not necessarily disbursed.

**U.S. Virgin Islands**

By the Numbers: (as of 11/2)

- 3,624 Individual Assistance (IA) applications approved*
- $5,189,245 Individual & Household Program (IHP) approved*
- $3,008,263 Housing Assistance (HA) approved*
- $2,180,982 Other Needs Assistance (ONA) approved*
- $25,056,945 Public Assistance Grants (PA) obligated, all of which are for Emergency Work (Categories A-B) **
  *Assistance dollars approved but not necessarily disbursed.

**Funds made available to the state via electronic transfer following FEMA's final review and approval of Public Assistance projects.

***Local Perspective***

A media release on the website of Florida Governor Rick Scott dated October 31 indicates that, at the invitation of Puerto Rico Governor Ricardo Rosselló, Governor Scott will lead a delegation of Florida utility providers to Puerto Rico. The media release also has a long list of various forms of assistance that Florida is providing to Puerto Ricans impacted by the hurricanes, including helping families apply for public assistance and enrolling children in Florida schools.

**Hurricane Harvey**

**FEMA**

**Texas**

By the Numbers: (as of 11/2)

- 342,717 Individual Assistance (IA) applications approved*
- $1,326,498,770 Individual & Household Program (IHP) approved*
- $1,033,640,031 Housing Assistance (HA) approved*
- $292,858,739 Other Needs Assistance (ONA) approved*
- $474,860,721 Public Assistance Grants (PA) obligated, all of which are for Emergency Work (Categories A-B) **
  *Assistance dollars approved but not necessarily disbursed.
  **Funds made available to the state via electronic transfer following FEMA's final review and approval of Public Assistance projects.

Some survivors receiving Transitional Shelter Assistance (TSA) may receive an extension for assistance until November 27. However, FEMA will conduct eligibility reviews on November 7 to decide if survivors have a need for continuing assistance. Survivors will receive a phone call, email, or text message letting them know if they qualify.

***Local Perspectives***

A media release from the Governor’s Commission to Rebuild Texas indicates that as of October 27, 51,416 individuals were taking advantage of FEMA’s TSA program, and as of October 26 only 29 people remained in shelters, 882,935 individual assistance applications had been received, and FEMA had completed 519,007 inspections.

The Houston and Oklahoma City Housing Authorities are partnering to provide people in Houston with dozens of additional housing vouchers. Recipients of the vouchers can use them in Houston or other cities.

The *Wall Street Journal* reports that more than 61,000 families are living in hotels as a result of Hurricane Harvey. This is nearly double the number FEMA reported to a Congressional office the week of October 31. NLIHC is working to clarify and get the latest, most accurate numbers on those living in hotels, as well as an updated breakdown on the number of IA registrants denied assistance and the reasons for those denials.

## National Housing Trust Fund

### House Subcommittee Holds Second Hearing on Private Sector Perspectives on Housing Finance Reform

The House Financial Services Housing and Insurance Subcommittee held a hearing on November 2 that focused on private sector perspectives on housing finance reform. This was the second such hearing on the topic. The witnesses spoke about the need for immediate and comprehensive housing finance reform that maintains government guaranteed loans, allows Fannie Mae and Freddie Mac to maintain capital buffers, and ensures access to affordable credit.

Sarah Edelman of the Center for American Progress (CAP) stated that the housing finance system should promote access and affordability to lower income families of all racial and ethnic backgrounds. In her written testimony, Ms. Edelman explains that the national Housing Trust Fund (HTF), Capital Magnet Fund (CMF) and Market Access Fund are "important for creating affordable rental and homeownership opportunities for families across the country." CAP supports expanding the funding for these three programs by a 10 basis point fee on all outstanding mortgage securities that would be established through housing finance reform.

Despite the topic of the hearing, committee members and witnesses also talked about the impact the House Republican tax proposal could have on housing and discussed the mortgage interest deduction and Low Income Housing Tax Credit.

Learn more about the hearing at: http://bit.ly/2zcoXlW

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### House Subcommittee to Hold Additional Hearings on Housing Finance Reform

The House will hold two additional hearings on housing finance reform the week of November 6, one on the role of Ginnie Mae in the housing finance system and one (the third in a series) on private sector perspectives.

The House Financial Services Housing and Insurance Subcommittee will hold a hearing, "Sustainable Housing Finance: Private Sector Perspectives on Housing Finance Reform, Part III," on November 7 at 10:00 am ET. Witnesses include:

- Mr. Peter Wallison, senior fellow and Arthur F. Burns fellow in financial policy studies, AEI
- Dr. Mark Zandi, chief economist, Moody's Analytics
- Dr. Michael Lea, from Cardiff Consulting Services
- Ms. Alanna McCargo, co-director, Housing Finance Policy Center, Urban Institute
- The Honorable Theodore "Ted" Tozer, senior fellow, Center for Financial Markets, Milken Institute

The hearing will take place in room 2128 of the Rayburn House Office Building. Learn more about the hearing at: http://bit.ly/2zicpIK

The Subcommittee will hold a hearing on the role of Ginnie Mae in the housing finance system on November 9 at 9:00 am ET in room 2128 of the Rayburn House Office Building. Witness have not yet been announced. Learn more about the hearing at: http://bit.ly/2AgQwaT

## Congress

### House Members Introduce LIHTC Expansion Bill

Representatives Suzan DelBene (D-WA), Adam Smith (D-WA) and Pramila Jayapal (D-WA) introduced the "Access to Affordable Housing Act" (H.R. 4185) on October 31 to increase the allocation of Low Income Housing Tax Credits (LIHTCs) by 50%. The increase in LIHTC could increase the number of affordable housing units by 400,000 over the next ten years. The bill does not, however, include improvements to the program to better serve extremely low income households, like the reforms in the "Affordable Housing Credit Improvement Act" (HR 1661) introduced earlier this year by Representatives Pat Tiberi (R-OH) and Richard Neal (D-MA).

"Making sure that every American has a safe and affordable place to call home is a moral imperative that we must address," Ms. DelBene stated when introducing the bill. "To help lift families out of poverty and expand access to affordable housing, we need to increase the Low Income Housing Tax Credit. Washington has seen it firsthand. Housing options are not keeping pace with demand and my legislation would help ensure more families can find stable, affordable housing."

Lean more about the Access to Affordable Housing Act at: http://bit.ly/2zu8jOC

## Budget and Appropriations

### Join Nov. 16 Webinar on FY18 Budget Outlook for Affordable Housing Programs

NLIHC and other leaders of the Campaign for Housing and Community Development Funding (CHCDF) invite you to join advocates from across the country to learn about the current status and outlook for the FY18 budget process and how advocates can effectively communicate with policymakers and the public about the need for increased federal investments in proven affordable housing and community development programs. The webinar will be held on November 16 at 2:30 pm ET.

- Elayne Weiss, NLIHC senior policy analyst, will moderate the event. Speakers include:
- Doug Rice, Center on Budget and Policy Priorities
- Linda Couch, LeadingAge
- Joey Lindstrom, NLIHC

With more households struggling to make ends meet, we cannot afford funding cuts to the very programs that sustain our communities and help families thrive.

Register today at: http://bit.ly/2j1OY0A

## HUD

### HUD Provides Guidance on HOTMA Voucher Initial Inspection Options

HUD's Office of Public and Indian Housing (PIH) issued Notice PIH 2017-20 providing guidance to public housing agencies (PHAs) regarding two new options that could speed up access to homes for households seeking to use tenant-based vouchers or to occupy units that have project-based vouchers. The Housing Opportunity Through Modernization Act of 2016 (HOTMA) allows a PHA to approve a voucher-assisted tenancy and begin making housing assistance payments to an owner of a unit that fails an initial Housing Quality Standard (HQS) inspection provided the deficiencies are not life-threatening. The Notice provides greater detail than that of the *Federal Register* notice issued on January 18, 2017 implementing these and other HOTMA provisions (see *Memo*, 1/23).

The first option allows a PHA to approve a voucher-assisted tenancy and make housing assistance payments (HAPs) on a unit that fails to meet HQS, provided the unit only has non-life-threatening (NLT) deficiencies and provided that the owner corrects the NLT deficiencies within 30 days. The second option allows a PHA to approve assisted tenancy of a unit prior to HQS inspection if the property has passed an alternative inspection within the past 24 months; however, the PHA must still inspect the unit within 15 days of receiving a prospective resident's Request for Tenancy Approval (RFTA). PHAs have the discretion to adopt one, both, or neither option. The Notice stresses PHAs must conduct an inspection before making a HAP.

**Implementing the Non-Life Threatening (NLT) Option**

The *Federal Register* notice issued on January 18 defined ten categories of life-threatening conditions, including: various gas leaks and electrical hazards, inoperable or missing smoke detectors or carbon monoxide detectors, lack of alternative means of exit in case of a fire, and deteriorated paint in a unit built before 1978 that is to be occupied by a household with a child under six years of age. Notice PIH 2017-20 has a table elaborating on each of the ten categories. The table lists, for example, 11 examples of life-threatening electrical hazards. A PHA may add NLT conditions in its Housing Choice Voucher (HCV) Administrative Plan before April 18, 2017 (the date the January 18 *Federal Register* notice provisions became effective). A PHA that chooses to adopt the NLT option must apply their list of life-threatening (LT) conditions to all HQS inspections, ongoing annual or interim HQS inspections, not just initial inspections.

The existing voucher regulations regarding life-threatening conditions remain in effect; LT conditions must still be corrected within 24 hours. One exception, however, pertains to lead hazards identified in a unit already occupied by an assisted household under a HAP contract as of the effective date of the PHA's NLT provision, for example, during a regular or interim HQS inspection. In such a situation, lead hazard reduction does not need to be completed within 24 hours as is the case for all other LT conditions. Instead, PHAs and owners must follow the requirements in 24 CFR part 35, the lead hazard regulation.

If an initial inspection identifies non-life-threatening deficiencies, a PHA must provide a list of the deficiencies to the household and offer the household an opportunity to decline a lease without jeopardizing its voucher. The PHA must also notify the household that if the owner fails to correct the NLT deficiencies within the time period specified by the PHA, the PHA will terminate the HAP contract and the family will have to move to another unit. If the household declines the unit, the PHA must inform the household how much search time they have remaining to find another unit. In addition, the PHA must suspend (stop the clock) of the initial or any extended term of the voucher (to search for another unit) from the date the household submitted the request for PHA approval of the tenancy until the date the PHA notifies the household in writing whether the request has been approved or denied.

HOTMA requires a PHA to withhold assistance payments if NLT deficiencies are not corrected within 30 days of the PHA notifying the owner of a unit's failure to comply with the HQS. A PHA may establish a maximum amount of time that it will withhold payments before terminating a HAP contract; a HAP contract may not continue more than 180 days, however. Once a unit is in compliance, a PHA may reimburse the owner for the period during which payments were withheld.

**Implementing the Alternative Inspections Provision**

HOTMA allows a unit to be occupied prior to completion of an inspection if the unit passed an alternative inspection method within the previous 24 months. A PHA must still inspect the unit within 15 days of receiving a Request for Tenancy Approval from a household with a voucher seeking to rent that unit. A PHA may not make a HAP payment to an owner until the PHA completes the initial HQS inspection. Once the unit passes the HQS, a PHA may make retroactive assistance payments. A PHA may rely on inspections of housing assisted under the HOME Investment Partnerships (HOME) program or Low Income Housing Tax Credits (LIHTC) program, as well as some other HUD-approved method a PHA proposes. Under the regular voucher program rules, PHAs with more than 1,250 units do not have to conduct an initial inspection within 15 days of receiving an RFTA, but if such a PHA chooses to implement the Alternative Inspections Provision, that PHA must conduct an initial HQS inspection within 15 days.

A key requirement of the Alternative Inspection Provision is that a PHA must execute a HAP contract with an owner before the assisted lease and tenancy begins. Since the household will have moved in before the PHA conducts the initial inspection, the executed HAP contract ensures that the owner is contractually responsible to make any repairs that are necessary to meet the HQS, and protects the household from being charged the full amount of the rent if the owner fails to make the necessary repairs. (Under the regular voucher rule, a PHA can execute a HAP contract up to 60 days after a lease begins.)

If a unit fails the HQS, the PHA must require that life-threatening deficiencies be corrected within 24 hours and non-life-threatening deficiencies be corrected within 30 days. HUD strongly encourages PHAs to notify households before accepting a tenancy that they may be obligated to stay if the unit does not pass the initial inspection (unless the PHA terminates the contract).

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### President Nominates Irving Dennis to be HUD Chief Financial Officer

President Donald Trump nominated Irving Dennis to be HUD's chief financial officer, sending the nomination to the Senate on October 30. Mr. Dennis recently retired as a global client service partner with Ernst & Young, LLP, where he served as the coordinating assurance partner on several large multinational public companies in various industries. The White House press announcement on the nomination describes Mr. Dennis as having an "in-depth understanding of business and financial risk and extensive experience advising audit committees and executives on global corporate governance, financial, and internal control matters." According to the announcement, his experience includes "finance transformations, enterprise risk management, and corporate governance."

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## Research

### One Out of Four Low Income Renters Cannot Pay the Rent

A report by Chris Salviati of Apartment List, *Rental Insecurity: The Threat of Evictions to America's Renters,* indicates that more than one out of four low income renters with annual incomes below $30,000 were unable to pay their full rent in at least one of the past three months. The report estimates that 3.7 million American renters have experienced eviction.

Matthew Desmond's Pulitzer-prize winning book *Evicted* brought national attention to the renter eviction crisis in the U.S. National data on evictions, however, are difficult to collect because many evictions happen informally and no central database of formal evictions exists. In response, Apartment List in their annual renters' survey included questions about respondents' ability to pay their rent and experiences with evictions or threatened evictions. The respondents were not a random sample.

The survey found that evictions and housing instability disproportionately impact certain populations. Eleven percent of respondents making under $30,000 per year were threatened with eviction in the past year compared to only 3.1% of respondents making more than $60,000. Nearly 12% of black respondents reported an eviction threat compared to just 5.4% of white respondents.

Families with children were nearly twice as likely to struggle paying the rent as households without children, showing the challenge many face affording both rent and other basic needs like childcare. Thirty percent of single-parent households and 27% of married couples with children could not pay the full rent in at least one of the past three months. Nearly 15% of single households and 13% of married couples without children had a similar struggle.

Some of most expensive metropolitan areas did not have the highest eviction rates. The article notes that strong tenant protection laws may limit landlords' ability to evict tenants arbitrarily in some high-cost markets. Renters also tend to have higher incomes in these high-cost areas, though low income renters still struggle. Eviction rates tended to be higher in metropolitan areas with higher poverty rates and in areas that had experienced higher foreclosure rates during the height of the housing crisis.

The author recommends greater funding for Housing Choice Vouchers and temporary housing assistance for renters.

*Rental Insecurity: The Threat of Evictions to America's Renters* is available at: http://bit.ly/2ihdirh

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**Freddie Mac Report Shows Decline in Supply of Affordable Housing for Low Income Renters**

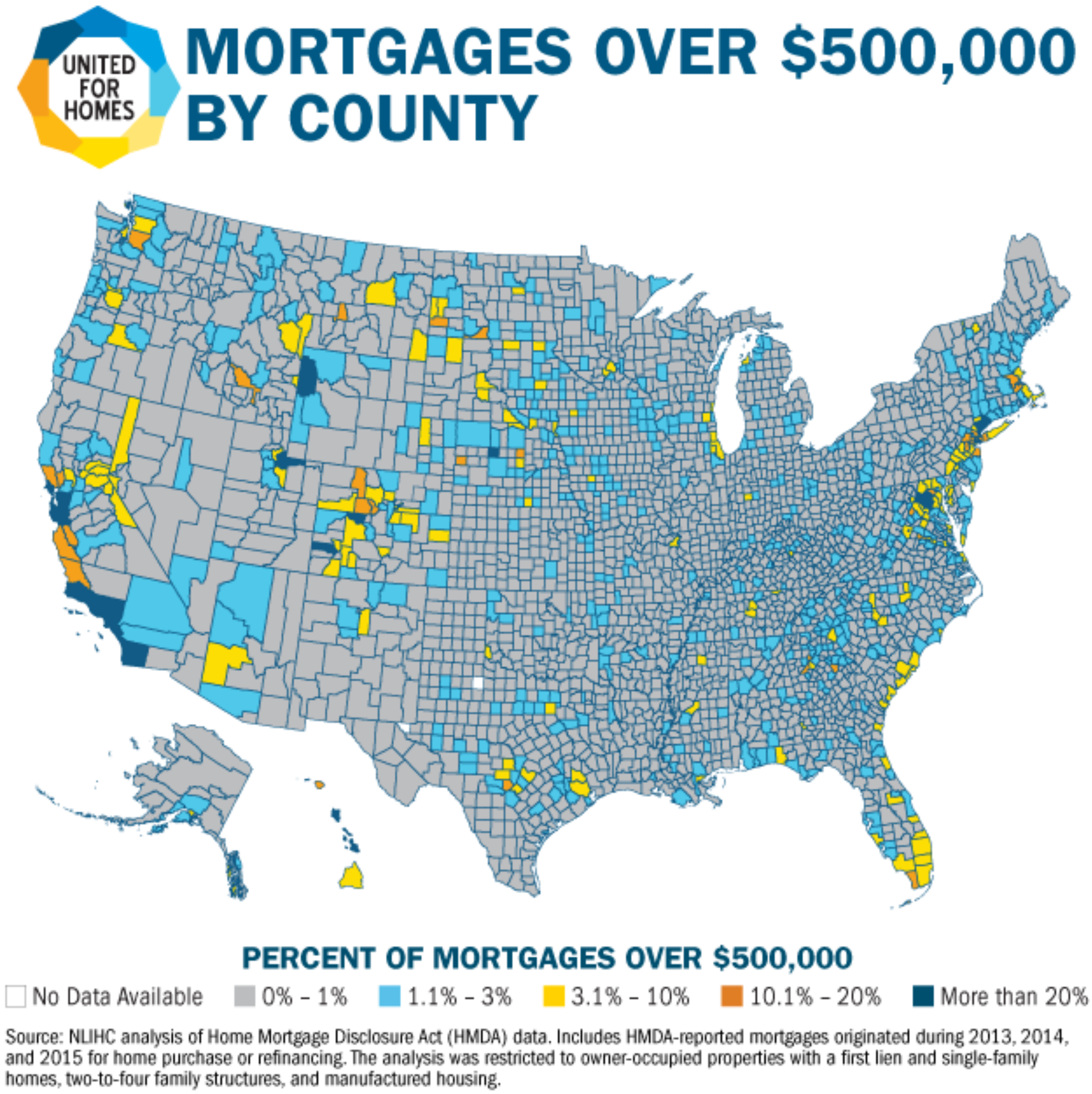
An analysis by Freddie Mac provides further evidence that the supply of affordable housing for low income renters is declining. The analysis examined the affordability of rental properties that Freddie Mac financed twice between 2010 and 2016. These properties accounted for more than 97,000 housing units, of which 11% were affordable to very low income (VLI) renters with incomes at or below 50% of the area median income at the time of their first financing. At the time of their second financing, only 4.3% of the units were affordable to VLI renters.

The report also looked at the affordability of all properties financed by Freddie Mac Multifamily between 2010 and 2016. Comparing the units' rents adjusted by third-party rent-growth data to changes in the VLI income threshold over time, the analysis found that of 17,510 rental units affordable to VLI renters in 2010, only 3,894 were still affordable to VLI renters in 2016.

Freddie Mac's *Rental Affordability is Worsening* is available at: http://bit.ly/2iQcptz

## Fact of the Week

### In Most States and Counties, Fewer than 3% of Mortgages Exceed $500,000




Source: NLIHC analysis of Home Mortgage Disclosure Act (HMDA) data on mortgages originated during 2013 and 2014.

## From the Field

### St. Louis City Renters Gain Expanded Legal Protections from Illegal "Lock-Out" Evictions

Too many renters in St. Louis have been victims of "lockout" evictions, whereby landlords simply remove belongings from a home and change the locks without going through the required legal process. In the worst cases, landlords prevent evicted renters from accessing their belongings, which often include medical supplies or work-required uniforms. As in many states, lockout evictions are illegal under Missouri law, but renters—especially those with the lowest incomes—often find that they have little if any recourse when locked out of their homes illegally. The St. Louis City Board of Aldermen took action on October 20, passing a new ordinance that provides options for prosecutors to take criminal action against landlords who illegally evict renters and clarifies renters' rights to pursue civil action.

Board Bill 87, introduced by Alderman Terry Kennedy, is a victory for advocates and legal services attorneys in the region. The bill was passed on a unanimous vote of the Board of Aldermen and signed into law shortly thereafter by St. Louis City Mayor Lyda Krewson. Efforts to introduce and pass Board Bill 87 were led by the St. Louis Equal Housing Opportunity Council (EHOC) and a coalition of other groups, including Empower Missouri, an NLIHC state partner (see *Memo*, 9/19/16).

In Missouri, a landlord cannot evict a renter without a court order, but renters have little legal recourse when it happens. Often, renters who contacted the police were told that all evictions are handled as civil matters. The new law empowers police to stop illegal evictions as they are taking place. Under Board Bill 87, the penalties for landlords who carry out evictions without a court order include a fine of up to $1,000 or a period of imprisonment of up to 90 days.

The new law also forbids landlords from collecting rent for a unit during the period an occupant was illegally evicted. Previously, landlords would commonly refuse to release a tenant's belongings until unpaid rent was received, including the period during which the tenant no longer had access to the home. Board Bill 87 also clarifies that renters aggrieved by illegal eviction have the right to pursue civil action to recoup any damages.

Empower Missouri's Affordable Housing and Homelessness Task Force will now work with Ms. Krewson's office to ensure full implementation of Board Bill 87 and will endeavor to replicate their efforts in other cities in the state.

Read Board Bill 87 at: http://bit.ly/2i3tU9v

For more information, contact Nicole McKoy, co-chair of Empower Missouri's Affordable Housing and Homelessness Task Force, at: nicole_mckoy@usc.salvationarmy.org

### National Housing Conference Seeks New CEO

The National Housing Conference (NHC) seeks a dynamic, hands-on leader to head the organization. Reporting to the Board of Governors, the president and CEO is responsible for overall strategic vision, management, fundraising, policy leadership, advocacy, membership engagement and development, and administration of the National Housing Conference to ensure the organization achieves its mission as the big tent of housing organizations. Interested parties may download the position announcement for a complete job description and application instructions or visit: https://www.nhc.org/about/careers/

## Events

### Coalition on Human Needs Webinar: Upcoming Tax Cut Battle and Why it Matters, November 8

The Coalition on Human Needs (CHN) is hosting a webinar on Wednesday, November 8 at 1:00 pm ET on how the Republican tax plan will impact low and moderate income people. Senator Patty Murray (D-WA) will speak on the webinar, along with Frank Clemente from Americans for Tax Fairness and Deborah Weinstein at CHN.

The tax cut plan to be taken up in the House Committee on Ways and Means starting November 6 will drastically grow the deficit, leading to enormous pressure to cut domestic programs of all kinds. Food security, Medicaid and other health care, low-income housing tax credits, child care, Head Start, housing, education, job training, Social Security, and environmental and consumer protections are all threatened with cuts now or in the years to come. The plan will be a massive shift of resources from meeting the needs of low and moderate income people to giving tax breaks for high income people and corporations. This webinar will explain how services you care about will be affected, explain the main provisions in a jargon-free way, and tell you how to fight back.

Register for the CHN webinar at: http://bit.ly/2zbPD3j

## NLIHC in the News

### NLIHC in the News for the Week of October 29

The following are some of the news stories that NLIHC contributed to during the week of October 29:

- "The GOP's bill is 'a sensible framework' — but 'still a deficit-exploding tax cut' for the rich and corporations," *The Washington Post*, November 2, at: http://wapo.st/2AdNZOC
- "How the GOP mortgage interest deduction plan would hurt DC's middle class," *The Washington Post*, November 2, at: http://wapo.st/2z7T0Is
- "Winners and losers in the GOP tax plan," *The Washington Post*, November 2, at: http://wapo.st/2z9Segs
- "The GOP Targets America's Most Loved and Hated Tax Break," *The Atlantic*, November 2, at: http://theatln.tc/2z9KbxP
- "How Not to Reform the Mortgage Interest Tax Deduction," *CityLab*, November 2, at: http://bit.ly/2j2fO8x
- "How many families actually own half-million dollar homes?" *The Washington Post*, November 3, at: http://wapo.st/2zhsZsQ

## More NLIHC News

### NLIHC Accepting Nominations to Board of Directors

NLIHC is accepting nominations to fill several upcoming vacancies on its board of directors. To be considered for board membership, one must be a current dues-paying NLIHC member or be employed by an organization that is a current dues-paying NLIHC member. NLIHC's Board consists of six low income persons (defined as individuals with incomes less than 50% of area median income), six representatives of allied national organizations, six representatives of NLIHC state partners, and up to seven unrestricted or at-large NLIHC members.

At least 90% of NLIHC board members must be people with low incomes or who are or have been engaged directly in working on meeting the housing needs of low income people. In selecting board members, NLIHC strives to achieve a broad diversity in terms of race, ethnicity, gender, and geography, including representation from both urban and rural communities. We seek to have as many different states represented as possible.

Board members are elected for 3-year terms and can be nominated to serve up to three terms. Terms are staggered, so generally three to six positions become open each year. The board is self-perpetuating, meaning the existing board members elect new board members.

The board meets in person twice a year in Washington, DC, once in conjunction with our annual forum in the spring and once in the fall. The board also meets by conference call on the fourth Tuesday in July. Attendance at board meetings is required, with exceptions for illness or emergencies. Generally, new board members are elected at the annual board meeting held in the spring.

NLIHC subsidizes travel and lodging expenses of low income board members to attend board meetings. All others are expected to cover their own travel and lodging expenses, unless doing so would prevent an otherwise qualified person from serving on the board. In addition to paying membership dues, all board members are asked to make financial contributions to NLIHC at the level they are able. We strive for 100% board giving.

All board members serve on at least one standing committee of the board and all board members are members of the NLIHC Policy Advisory Committee. Committees meet by conference call. All new board members must attend an in-person orientation in DC soon after their election.

The best way to be considered for board membership is to get involved in the activities of NLIHC, particularly by serving on the Policy Advisory Committee and attending NLIHC's annual policy forum. The NLIHC Nominating Committee will also review the level of a potential board member's involvement in his or her own community or state housing advocacy activities and accountability to a constituent base.

To be considered for an NLIHC board position, send a brief biographical description or resume and a statement of interest to NLIHC President and CEO Diane Yentel at dyentel@nlihc.org by COB November 30.

### NLIHC Seeks Interns for Winter/Spring 2018 Semester

NLIHC is accepting applications for internship positions for the Winter/Spring 2018 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 a link to an online portfolio in addition to a writing sample.

Winter/Spring interns are expected to work 25 hours a week beginning in January and finishing up in May. 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 Winter/Spring 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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## Where to Find Us – November 6

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

- Maryland Affordable Housing Coalition Annual Meeting in Baltimore, MD on November 6
- Ohio Housing Conference in 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, AL, November 15-17
- Yale University event in New Haven, CT on November 28
- National Housing Conference Solutions for Affordable Housing Convening, Washington, DC on November 29
- 2017 New Jersey Supportive Housing Conference, Iselin, NJ, on December 1
- New York Housing Conference 44th Annual Awards, New York, NY, on December 6

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## Amazon Will Donate to NLIHC at No Cost to You When You Shop on Amazon Smile

When you shop on Amazon Smile, Amazon will make a contribution to NLIHC on your behalf at no cost to you, supporting NLIHC's work to end homelessness and housing poverty in America. Just begin typing "National Low Income Housing Coalition" as your preferred charity and select it when it appears. With every Amazon Smile purchase, Amazon will donate a portion of the purchase price to NLIHC! Click here to support NLIHC's work while shopping. Thank you for your support!

## NLIHC Staff

Sonya Acosta, Policy Intern, x241
Andrew Aurand, Vice President for Research, x245
Josephine Clarke, Executive Assistant, x226
Dan Emmanuel, Research Analyst, x316
Ellen Errico, Creative Services Manager, x246
Isaiah Fleming-Klink, Field Intern, x229
Jared Gaby-Biegel, Research Intern, x249
Ed Gramlich, Senior Advisor, x314
Sarah Jemison, Housing Advocacy Organizer, x244
Lindsey Kim, Communications/Graphic Design Intern, x250
Paul Kealey, Chief Operating Officer, x232
Joseph Lindstrom, Manager, Field Organizing, x222
Lisa Marlow, Communications Specialist, x239
Sarah Mickelson, Director of Public Policy, x228
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James Saucedo, Housing Advocacy Organizer, x233
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